

Corporate Governance 2023



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Corporate Governance

Corporate Governance Statement 2023

Effective implementation of corporate governance principles is a key element of the corporate policy of SNP Schneider-Neureither & Partner SE (hereinafter: "SNP SE" or "SNP"). Transparent and responsible corporate governance is a critical precondition for the achievement of the company's goals and for increasing its enterprise value over the long term. The Supervisory Board and Executive Board work closely together for the benefit of the entire company in order to ensure efficient corporate management and control geared towards sustainable value creation through good corporate governance.

In the following statement, we explain the essential foundations of the corporate governance of SNP SE pursuant to the legal requirements of Section 315d in conjunction with Section 289f of the German Commercial Code (HGB) and the German Corporate Governance Code (GCGC or "the Code").

With the conversion under company law from a public limited company (AG) to a European Company (Societas Europaea/SE), SNP had a monistic management system with a Board of Directors as the unitary man-

agement and control body. The Managing Directors managed the day-to-day business of the company.

On September 27, 2023, the Annual General Meeting resolved to replace the previous single-tier management system with a dual-tier management system consisting of the Executive Board as the management body and the Supervisory Board as the supervisory body. The corresponding amendment to the Articles of Association became effective on October 27, 2023.

DECLARATION OF CONFORMITY WITH THE RECOMMENDATIONS OF THE GOVERNING COMMISSION OF GERMAN CORPORATE GOVERNANCE

In accordance with Section 161 AktG in conjunction with Article 9 (1) c) ii) SE Regulation, the Executive Board and Supervisory Board of a listed SE with its registered office in Germany are obliged to declare once a year whether the German Corporate Governance Code (GCGC) in its currently valid form has been and is being complied with or which recommendations of the Code have not been or are not being applied and why not. In the event of changes during the year between two regular declarations, the declaration must be updated.

SNP SE submitted and published the 2022 declaration of conformity in March 2023; an update was made in December 2023.

Declaration of Conformity 2023

The Executive Board and Supervisory Board of SNP SE declare in accordance with Section 161 (1) AktG that since the submission of the last declaration of conformity in March 2023 – as updated in December 2023 – the recommendations of the Government Commission on the German Corporate Governance Code ("GCGC") in the version of the **GCGC** dated April 28, 2022, published in the Federal Gazette on June 27, 2022, have been and will continue to be complied with, with the exception of the following deviations:

- In accordance with **recommendation A.1** of the Code, management should systematically identify and assess the risks and opportunities for the company associated with social and environmental factors as well as the ecological and social impact of the company's activities. This recommendation also states that, in addition to long-term economic objectives, the corporate strategy is also to give appropriate

consideration to ecological and social objectives. Corporate planning is to include corresponding financial and sustainability-related objectives. According to **recommendation A.3** of the Code, the internal control system and the risk management system should also cover sustainability-related objectives, which should include the processes and systems for recording and processing sustainability-related data.

These recommendations have not yet been fully complied with. In 2023, the Executive Board began to integrate the topics of sustainability and diversity into the corporate strategy. However, the company focused very strongly on the ESG sub-area of governance and here – in addition to a statement on a voluntary public takeover offer – on the change in the management structure of SNP SE from monistic to dualistic.

To improve our structures and processes in the two other ESG sub-areas of environment and social affairs, the Sustainability department was newly created in October 2023 with corresponding personnel responsibility. An initial goal in the coming months will be to work on a revision of the sustainability strategy and its consistent implementation.

As part of a further materiality analysis, the topics that are to be considered material for SNP in terms of their impact on the environment, society, and the economy as a whole, their financial impact, and their relevance for SNP's other stakeholders will be identified over the course of the year. The results of this analysis will be incorporated into the company's strategic target planning and its risk and opportunity management so that sustainability-related objectives are taken into consideration in its corporate planning and its internal control system and risk management system. The company will thus fully comply with recommendations A.1 and A.3 in due course.

- **Recommendation B.3** of the Code, according to which the initial appointment of members of the Executive Board should be for a maximum of three years, was not formally complied with due to the special situation at SNP but was very much in line with the aim of the regulation. Both Dr. Jens Amail and Andreas Röderer were appointed as members of the Executive Board for a period of five years with effect from November 1, 2023. This takes into account the fact that both gentlemen were previously Managing Directors of SNP.

Dr. Amail is an internationally experienced manager in the software and IT services environment. The combination of international networking, excellent industry knowledge, and many years of senior management experience in various industries, together with a strong entrepreneurial spirit, makes Jens Amail the ideal candidate for the position of CEO.

Andreas Röderer's expertise in finance and his experience in auditing medium-sized companies make him a very good fit for SNP in his role as CFO. In addition to his wide-ranging business partnering competencies, he has valuable knowledge on the SAP customer side – particularly with regard to their transformation requirements. He has the ideal skills profile to progress with SNP's growth strategy together with the rest of the team.

The Supervisory Board has come to the conclusion that it is in the company's best interest to secure the expertise of both Executive Board members in the long term. In view of the special qualifications and the Supervisory Board's desire for personnel continuity – especially considering the fact that this is only a formal first appointment – the Supervisory Board has opted for a long-term appointment.

- **Recommendation B.5** provides for an age limit for members of the Executive Board. SNP SE does not believe that a fixed age limit should be set for members of the Executive Board, as this cannot take individual circumstances into account and would also restrict the Supervisory Board in its selection of Executive Board members.
- In accordance with **recommendation C.2**, an age limit specified for members of the Supervisory Board should also be stated in the corporate governance statement. The Supervisory Board is elected by the shareholders of SNP SE. An age limit can lead to rigid regulations and establish an unintended exclusion criterion that could run counter to the company's objective of attracting individuals with extensive experience to serve on the Supervisory Board. For this reason, a more flexible approach based on a case-by-case decision was given preference over a rigid limit.
- In accordance with **recommendation D.5**, the Supervisory Board shall form a Nomination Committee composed exclusively of shareholder representatives

which nominates suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of Supervisory Board members. The Supervisory Board is of the opinion that the establishment of such a committee is neither necessary nor expedient due to the specific circumstances of the company, in particular the size of the Supervisory Board (currently three members) and its composition exclusively of shareholder representatives.

- With the change from the monistic to the dualistic management system, the Annual General Meeting 2023 approved the new remuneration system for the Supervisory Board. The remuneration set out in the company's Articles of Association includes a fixed annual basic remuneration of EUR 80,000. The Chairman receives 100,000 euros, his deputy 90,000 euros. This provision also covers the assumption of memberships and chairmanships of committees, which means that **recommendation G.17**, according to which the higher time commitment of committee members and their chairmen should be appropriately taken into account in the remuneration of Supervisory Board members, is not complied with.

With the current remuneration system, the Supervisory Board takes into account the responsibility, the scope of activities, and the special circumstances of the Board's composition: In the "three-member Supervisory Board", the Audit Committee and the full Supervisory Board are identical, meaning that no additional remuneration is required for chairmanship or membership in this committee. No other committees have been set up (as explained). The new remuneration system does not provide for the payment of attendance fees.

Heidelberg, March 21, 2024

For the Supervisory Board	For the Executive Board
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Dr. Karl Benedikt Biesinger

Dr. Jens Aml

The declaration of conformity is permanently available to the public on the company's website: <https://investor-relations.snpgroup.com/en/governance/>

CORPORATE GOVERNANCE

Responsible corporate governance

SNP SE's corporate governance practices are characterized by fair, transparent, and correct cooperation with employees as well as business partners and the public. Responsible corporate governance also means complying with legal regulations within decision-making and control processes and actively implementing recommendations that go beyond these regulations.

Shareholders and Annual General Meeting

The shareholders of SNP SE exercise their rights at the Annual General Meeting. In accordance with Article 19 of the company's Articles of Association, each registered share entitles the holder to one vote. The Annual General Meeting is chaired by the Chairman of the Supervisory Board. The Annual General Meeting decides in all cases assigned to it by law and the Articles of Association.

Supervisory Board

The central task of the Supervisory Board is to advise and monitor the Executive Board. In accordance with the Articles of Association, the company's Supervisory Board consists of three members. The powers and duties of the Supervisory Board and its Audit Committee are governed by the German Stock Corporation Act, the Articles of Association, and the Supervisory Board's rules of procedure.

Executive Board

As the management body of a stock corporation, the Executive Board manages the business "under its own responsibility" (Section 76 (1) AktG) or independently of instructions and is bound by the interests and business policy principles of the company within the

framework of the provisions of stock corporation law. In exercising its management authority, the Executive Board is also obliged to sustainably increase the value of the company. It reports regularly and comprehensively to the Supervisory Board on all key issues relating to business development, corporate strategy, and potential risks. The competencies and duties of the Executive Board are governed by the German Stock Corporation Act, the Articles of Association, the rules of procedure, and the schedule of responsibilities of the Executive Board.

Shareholdings of the Executive Board and the Supervisory Board

The following members of the Executive Board and Supervisory Board appointed at the end of 2023 held shares in SNP SE at the end of the year:

	SHAREHOLDINGS AS OF DECEMBER 31, 2023		SHAREHOLDINGS AS OF DECEMBER 31, 2022	
Dr. Karl Benedikt Biesinger	4,757	0.1%	4,757	0.1%
Dr. Jens Aml	31,228	0.4%	- ¹	- ¹

¹ No member of the Executive Board or Managing Director in the previous year.

Accounting and auditing

The consolidated financial statements are prepared in accordance with IFRS, the annual financial statements in accordance with HGB. After preparation by the Executive Board, the consolidated financial statements and annual financial statements are audited by the auditor, approved or adopted by the Supervisory Board, and published within 90 days of the end of the financial year. Furthermore, interim reports are published for the first three quarters of a financial year in the form of two quarterly statements and a half-year financial report; the half-year financial report is reviewed by an auditor.

Transparency

An information policy geared towards uniform, comprehensive, and timely information is of great importance to the SNP. Therefore, the company informs all stakeholders regularly and promptly about the company's situation and any significant business changes and developments. One of the most important communication tools is the company's website. Reporting also takes place in the

annual report, in interim reports, and at meetings and conferences with investors, analysts, and journalists.

Furthermore, additional information is published in the form of press releases and ad hoc announcements. The statutory reporting obligations, such as with regard to voting rights notifications or managers' own transactions, are complied with. Announcements, presentations, and reports are available in the Investor Relations section of SNP's website (<https://investor-relations.snpgroup.com/en/governance/>).

Compliance

Trust is one of our basic values and assumes integrity, honesty, and incorruptibility. Compliance with all applicable statutory provisions and internal rules on the part of the company's management and employees is an integral aspect of our corporate culture. Measures in the area of compliance are continuously reviewed and updated on an ongoing basis by means of a compliance management system. Our Code of Conduct is at the heart of our corporate culture and encapsulates

our key behavioral principles as well as the requirements for compliance with contractual and statutory obligations, anti-corruption measures, the protection of business and commercial secrets, and data protection. All employees are obliged to comply with the company's Code of Conduct.

These measures will be adapted in line with the company's risk situation. The effectiveness of the individual measures implemented will be regularly reviewed. For this purpose, the company offers all of its employees throughout the Group the opportunity to report legal violations within the company in a protected fashion using a digital whistleblower system. Employees may opt to submit such reports anonymously.

Mandatory training is another key element for the avoidance of compliance violations. E-learning-based training was introduced for all of the company's employees worldwide in 2020. Employees who were classified as particularly relevant due to the nature of their work had already received training in this area. The mandatory training course also includes a compliance module.

Structure and working methods of the Executive Board and Supervisory Board and composition of the Audit Committee

The Executive Board and Supervisory Board work together closely and on the basis of trust in the interests of the company. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board and chairs its meetings. The Supervisory Board has also appointed an Audit Committee.

As a rule, the Executive Board attends the Supervisory Board meetings, reports in writing and orally on the individual agenda items and draft resolutions, and answers the questions of the Supervisory Board members. The Supervisory Board also meets regularly in the absence of the Executive Board.

In accordance with Article 10 of the company's Articles of Association, the Supervisory Board appoints the members of the Executive Board and issues rules of procedure and a schedule of responsibilities for the Executive Board. The Chairman of the Supervisory Board decides whether the members of the Executive Board attend the meetings of the Supervisory Board. Finally,

the Supervisory Board adopts rules of procedure and issues rules of procedure for the Executive Board.

In its annual report to the Annual General Meeting, the Supervisory Board explains its activities and the activities of the Audit Committee. Information on the members and chairmen of the Supervisory Board committees is published on the company's website at <https://www.snpgroup.com/en/about-snp/company/management/>. There are currently no committees at the Executive Board level.

The Supervisory Board must hold two meetings per calendar half-year. The Supervisory Board is quorate if all members have been invited and at least two of the members participate in the resolution. Resolutions of the Supervisory Board require a majority of the votes cast unless a different majority is prescribed by law or the Articles of Association. In the event of a tie, the Chairman has the casting vote.

The Supervisory Board has established bylaws for its work. This can be found at <https://investor-relations.snpgroup.com/en/governance/>.

According to Section 6 of the company's Articles of Association, the Executive Board consists of at least two members and constitutes a quorum if at least half of its members attend the meeting. It passes resolutions by a simple majority of the votes of the members of the Board of Directors participating in the resolution. In the event of a tie, the Chairman has the casting vote.

The remuneration of the members of the Executive Board consists of fixed and performance-related components. The remuneration report for the 2023 financial year, the auditor's report in accordance with Section 162 AktG, and the applicable remuneration system for the Executive Board and Supervisory Board are published in the remuneration report at <https://investor-relations.snpgroup.com/en/governance/>.

Independence of the Supervisory Board members

A Supervisory Board member is considered independent within the meaning of the GCGC 2022 if he or she is independent of SNP and its Executive Board members and independent of a controlling shareholder of SNP. When assessing independence, the Supervisory Board is guided at least by the recommendations of the GCGC 2022. Accordingly, more than half of the

members are to be independent of SNP SE and the Executive Board. This requirement is met. The work processes of the Audit Committee established in 2021 comply with the corresponding requirements of the German Stock Corporation Act and the GCGC.

The Audit Committee consists of three members: The committee is chaired by the Deputy Chairman of the Supervisory Board, Prof. Dr. Thorsten Grenz; Dr. Karl Benedikt Biesinger and Peter Maier are also members of the Audit Committee. As financial experts, Prof. Dr. Thorsten Grenz and Dr. Karl Benedikt Biesinger have the necessary expertise in the areas of accounting and auditing; Prof. Dr. Thorsten Grenz is also familiar with auditing sustainability reporting.

Self-assessment of the Supervisory Board

The Supervisory Board and its Audit Committee should regularly review how effectively the Supervisory Board as a whole and the Audit Committee fulfill their duties. The new Supervisory Board was elected at the Extraordinary General Meeting in September 2023. Accordingly, the committee must first work together for a period of time before an evaluation is possible.

INFORMATION ON THE RESPONSIBILITIES OF THE EXECUTIVE BOARD MEMBERS AND FORMER MANAGING DIRECTORS

Executive Board/ Managing Directors	Responsibilities and departments	Memberships in other supervisory boards and other similar bodies
Dr. Jens Amail CEO since January 16, 2023 Managing Director/ Executive Board member following change of legal form. Term of appointment: 5 years	■ Corporate Strategy ■ Corporate Development/Change Management ■ Sales ■ Partner Management ■ Marketing ■ Corporate Sustainability ■ Human Resources ■ Service ■ Management of the regions	No further offices
Andreas Röderer CFO since June 1, 2023; Managing Director/ Executive Board member following change of legal form. Term of appointment: 5 years	■ Legal & Compliance ■ IT ■ Finance & Controlling ■ Investor Relations ■ ESG Reporting / Non-Financial Reporting ■ Shared Services ■ M&A ■ ERST GmbH	No further offices
Michael Eberhardt Managing Director and CEO until January 15, 2023, resignation effective March 31, 2023.	■ Corporate Strategy & Advisory Board ■ Corporate Development/Change Management ■ Sales ■ Partner Management ■ Delivery ■ Academy ■ Regions CEU, LATAM, JAPAC, EEMEA	digitalCX.services AG, Supervisory Board

Executive Board/ Managing Directors	Responsibilities and departments	Memberships in other supervisory boards and other similar bodies
Prof. Dr. Thorsten Grenz Managing Director and CFO until May 31, 2023.	■ Legal & Compliance ■ IT (Internal) ■ Finance & Controlling ■ Investor Relations ■ Shared Services ■ M&A ■ Human Resources (until February 28, 2023) ■ Sustainability & CSR (until February 28, 2023)	Drägerwerk Verwaltungs AG, Supervisory Board Dräger Safety AG & Co. KGaA, Supervisory Board Drägerwerk Verwaltungs AG, Supervisory Board Credion AG, Supervisory Board (until May 23, 2023) Gerlin Participaties Coöperatief UA Supervisory Board (from January 24, 2024)
Gregor Stöckler Managing Director and COO up to the change of legal form, resignation effective December 31, 2023.	Until February 28, 2023: ■ Analytics ■ Technology Partner ■ Partner-Marketing ■ Field Marketing ■ Regions UKI & North America ■ ERST GmbH & Innoplexia GmbH From March 1, 2023: ■ Analytics ■ Technology Partner ■ Partner Marketing ■ Field Marketing ■ Product and Product Development ■ ERST GmbH & Innoplexia GmbH	No further offices

INFORMATION ABOUT THE SUPERVISORY BOARD

Supervisory Boards ¹	Memberships in other supervisory boards and other similar bodies
Dr. Karl Benedikt Biesinger Chairman of the Supervisory Board Lawyer Member of the Supervisory Board and Board of Directors since 2019. Elected until 2029 ²	No further offices
Prof. Dr. Thorsten Grenz Deputy Chairman of the Supervisory Board Graduate in business administration Member of the Supervisory Board and Board of Directors since 2023. Elected until 2029 ²	Drägerwerk Verwaltungs AG, Supervisory Board Dräger Safety AG & Co. KGaA, Supervisory Board Drägerwerk Verwaltungs AG, Supervisory Board Credion AG, Supervisory Board (until May 23, 2023) Gerlin Participaties Coöperatief UA Supervisory Board (from January 24, 2024)
Peter Maier Graduate in business administration in information technology Member of the Supervisory Board since 2023. Elected until 2029 ²	No further offices

Management and control structure

In accordance with the Code, the Supervisory Board should specify concrete objectives for its composition that take appropriate account of its international activities, potential conflicts of interest, the number of independent Supervisory Board members, and diversity.

Objectives for the composition of the committees and competence profiles

At the end of 2023, the Supervisory Board revised and selectively adjusted the current diversity concept for the Supervisory Board and the Executive Board. Accordingly, the target for gender diversity on the Supervisory Board is now 25% by November 30, 2028, provided that at least one person is added to the Board; the Supervisory Board currently consists of three people. The target for gender diversity on the Executive Board is 33% by November 30, 2028, provided that at least one person is added to the Board; the Executive Board currently consists of two people.

The target ratios for the two management levels below the Executive Board are presented in the non-financial Group statement.

¹ Members of the Board of Directors who left during the reporting year: Prof. Dr. Christoph Hütten, as of June 30, 2023; Richard Roy, as of July 31, 2023; and Sebastian Reppegather, as of October 27, 2023.

² Up to the end of the Annual General Meeting that resolves on discharge for the 2028 fiscal year.

Concept for succession planning for the Executive Board

Together with the Executive Board members, the Supervisory Board ensures long-term planning for the succession of Executive Board members. The Supervisory Board (then the Board of Directors) identified the following primary basic criteria that qualify a candidate for a position on the Executive Board and took them into account when recruiting the new CEO at the end of 2022 and the new CFO in March 2023:

- Personality (incl. empathy)
- Integrity
- Strong leadership skills
- Technical qualifications for the position to be filled
- Performance to date
- Knowledge of SNP, its industry, and its market environment
- Ability to adapt and redesign business models and processes in a rapidly changing environment

Furthermore, the Supervisory Board also pays attention to diversity insofar as this can be reasonably implemented under the given conditions of a numerically

small Executive Board. To this end, the Supervisory Board has adopted a diversity concept for the composition of the Executive Board.

Diversity concept for the Executive Board

Decisions as to which personality should be appointed to a specific position on the Executive Board are made by the Supervisory Board in the interests of the company, taking into account all circumstances of the individual case. In this context, the Supervisory Board considers the following aspects in particular:

- The Executive Board members should have many years of management experience, preferably acquired in internationally active companies.
- The Executive Board as a whole should have many years of experience in the field of software and IT services.
- The Executive Board members should have complementary profiles and professional experience.
- The target for gender diversity on the Executive Board is 33% by November 30, 2028, provided that at least one person is added to the Board; the Executive Board currently consists of two people.

Competence profile of the Supervisory Board and its committees

The Supervisory Board has set specific targets for its composition and developed a corresponding profile of skills and expertise for the entire Board and, in particular, its Audit Committee, which is aligned with the recommendations of the current version of the German Corporate Governance Code. Election proposals to the Annual General Meeting are generally based on this. The individual areas of responsibility and the status of implementation of the objectives set, as well as the assessment of the independence of the shareholder representatives on the Supervisory Board are shown in the following table:

	Diversity		Areas of expertise					
	Gender	Nationality	Innovation, research, & development	Software industry	Finance and accounting	Strategy and corporate management	Supervision, control, corporate governance	Sustainability
Dr. Karl Benedikt Biesinger	Male	German			+		+	
Prof. Dr. Thorsten Grenz	Male	German			+	+	+	+
Peter Maier	Male	German	+	+		+		

Disclosures on risk management

The business activities of SNP SE are subject to a variety of risks that are inseparably linked to its entrepreneurial activity. Good corporate governance includes dealing with these risks responsibly. In order to identify risks at an early stage, to evaluate them, and to deal with them systematically, SNP SE employs effective management and control systems that are consolidated into a uniform risk management system. A detailed description of risk management can be found in the opportunity and risk report in the combined management report 2023.

Further information on corporate governance at SNP

Detailed information on the activities of the Supervisory Board, the work of the Audit Committee, and the

cooperation between the Supervisory Board and the Executive Board can also be found in the Report of the Supervisory Board in the 2023 Annual Report.

Accounts and consolidated accounts

The company's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), while the annual financial statements are prepared in accordance with the provisions of the German Commercial Code (HGB).

The 2023 Annual General Meeting re-elected Rödl & Partner GmbH, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, as the auditor for SNP SE and the SNP Group for the 2023 financial year.

Remuneration Report

The Supervisory Board and Executive Board prepared the Remuneration Report jointly in accordance with Section 162 of the German Stock Corporation Act (AktG) and had it audited not only formally but also in terms of content by the auditor.

As in the previous year, the Remuneration Report for the 2023 financial year is published as a separate report and can be downloaded together with the associated Auditor's Report at <https://investor-relations.snpgroup.com/en/governance/>.



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