

## DECLARATION OF COMPLIANCE

**DECLARATION MADE BY THE ADMINISTRATIVE BOARD OF SERVICWARE SE PURSUANT TO ARTICLE 9, PARA. 1, LIT. C (II) OF THE SE REGULATION IN CONJUNCTION WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTIENGESETZ) REGARDING THE COMPANY'S COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE ("DEUTSCHER CORPORATE GOVERNANCE KODEX").**

### I.

As a European stock corporation (Societas Europaea -SE), the Company has a one-tier management and controlling structure.

The Administrative Board manages the Company, determines the basic principles of its activities, monitors its implementation and has the further tasks and powers resulting from Section 22 SEAG. The Managing Directors conduct the business of the Company by implementing the principles and guidelines set out by the Administrative Board.

Serviceware SE relates the Code regulations that apply to the Supervisory Board to the Administrative Board and those relating to the Executive Board to the Managing Directors.

### II.

Serviceware SE identifies with the objectives of the Code to foster a responsible and transparent corporate management style and control directed toward achieving a sustained increase in shareholder value. Consequently, the Company implements nearly all recommendations set forth in the German Corporate Governance Code and adheres to them in its daily work. Since the last declaration of compliance was submitted, Serviceware SE has complied with the recommendations of the Government Commission "German Corporate Governance Code" in the version dated 7 February 2017, with the following exceptions:

#### **Recommendation 4.1.3 of the Code:**

According to recommendation 4.1.3 of the Code, employees should be given the opportunity to provide protected information about violations of the law in the Company in an appropriate manner. In our opinion, the establishment of a whistleblower system is not appropriate due to the small number of employees and the one-tier hierarchical structure of the Company. In the event of indications of legal violations within the Company, employees have the option of contacting the Managing Directors or the Administrative Board directly and in confidence.

#### **Recommendation 4.1.5 of the Code:**

According to recommendation 4.1.5 of the Code, the Managing Directors shall take diversity into consideration and, in particular, aim for an appropriate consideration of women when filling managerial positions in the enterprise. The Managing Directors shall lay down targets for increasing the share of women on the two management levels below the Managing Directors.

The Managing Directors currently face challenging conditions in the labour market, which complicate the desired increase in the proportion of women at management level within the Group. The Managing Directors, however, intend to take these criteria into consideration.

**Recommendations 4.2.5 und 5.4.6 of the Code:**

According to no. 4.2.5 and no. 5.4.6 of the Code, the compensation granted to the Managing Directors and the Administrative Board of the Company shall be disclosed on an individualised basis. In accordance with section 286, para. 5 of the German Commercial Code (Handelsgesetzbuch), the general shareholders' meeting of the Company has resolved on 4 April 2018, that no individualised disclosure of the remuneration granted to the Managing Directors and the Administrative Board of the Company shall be made pursuant to sections 285, no. 9, letter a), sentences 5 through 8, 314, para. 1 no. 6, letter a), sentences 5 through 8 and 315e, para. 1 of the German Commercial Code (Handelsgesetzbuch) until the authorisation expires. Based on this resolution, the Company deviates from the recommendation no. 4.2.5 and no. 5.4.6 of the Code and will not disclose the remuneration on an individualised basis. The Managing Directors shall adhere to the authorisation granted by the general shareholders' meeting of the Company when preparing the annual financial statements. Serviceware SE will in future make individual disclosure of the compensation paid to its executive bodies in accordance with the "Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie (ARUG II)" (the law on the implementation of the second shareholder rights directive), which came into force on 1 January 2020.

**Recommendation 5.1.2 of the Code:**

According to recommendation 5.1.2 para. 1 of the Code, the Administrative Board shall respect diversity when appointing the Managing Directors, shall determine targets in terms of the share of women on the Managing Directors and shall ensure together with the Managing Directors that there is a long-term succession planning. The Administrative Board intends to take diversity into consideration when appointing the members of the Managing Directors in the future. There is no target in terms of the share of women at the moment due to the number of Managing Directors and the challenging conditions in the labour market, making it difficult to increase the share of women. At the moment, the Company does not deem a long-term succession planning necessary.

**Recommendations 5.3.1, 5.3.2 und 5.3.3 of the Code:**

According to the Code's recommendations, the Administrative Board shall form committees of members with relevant expertise. In particular, the Administrative Board shall form an audit committee that addresses the monitoring of the accounting, the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit compliance. The chair of such audit committee shall have specific knowledge and experience in applying accounting principles and internal control procedures. In addition, the Administrative Board shall form a nomination committee composed exclusively of shareholder representatives, which proposes suitable candidates to the Administrative Board, for its recommendations to the shareholder's meeting. The Administrative Board has not formed any committees, given that the Administrative Board is comprised of just three members and can therefore efficiently fulfil its functions without the help of any committees.

**Recommendation 5.4.1 of the Code:**

According to recommendation no. 5.4.1 of the Code, the Administrative Board shall take diversity into consideration. Until now, the Administrative Board has not explicitly taken diversity and the appropriate share of women into account. The Administrative Board is currently facing challenging conditions in the labour market, making it difficult to increase the share of women. The Administrative Board, however, intends to take these criteria into consideration in the future.

**Recommendation 5.4.4 of the Code:**

Due to the single body system of the Company, recommendation 5.4.4, relating to the cooling off period for Managing Directors before becoming members of the Administrative Board, is not applicable for the Company.

**Recommendation 7.1.2 of the Code:**

According to the Code's recommendations, the Company's consolidated financial statements and the respective management report for a given fiscal year, and its consolidated interim financial statements and the respective management report should be published within 45 days from the end of the respective reporting period. The Company will publish its consolidated financial statements and the respective management reports in accordance with applicable regulations and in particular in accordance with the post-admission obligations of the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) and has, therefore, not complied with the shorter periods provided for by the Code.

**II.**

Since the publication of the recommendations of the German Corporate Governance Code in the version dated 16 December 2019 - announced by the Federal Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) on 20 March 2020 -, Serviceware SE has complied and will comply in the future, with the following deviations:

**Recommendation A.1:**

According to recommendation A.1, the Managing Directors should respect diversity when filling managerial positions in the enterprise. The Managing Directors are currently facing challenging conditions in the labour market, which especially complicate the desired increase in the proportion of women at management level within the Group. The Managing Directors, however, intend to take these criteria into consideration.

**Recommendation A.2:**

According to recommendation A.2, the Managing Directors should set up a Compliance Management System and employees should be given the opportunity to provide protected information about violations of the law in the Company in an appropriate manner. In our opinion, the establishment of a whistleblower system is not appropriate due to the small number of employees and the one-tier hierarchical structure of the Company. In the event of indications

of legal violations within the Company, employees have the option of contacting the Managing Directors or the Administrative Board directly and in confidence.

**Recommendation B.1:**

According to recommendation B.1., when appointing the Managing Directors, the Administrative Board should respect diversity. The Administrative Board intend to take diversity into account when appointing the Managing Directors in the future. Due to the number of Managing Directors and the difficult conditions in the labour market, no targets are currently set with regard to the proportion of women and therefore an increase in this proportion is complicated.

**Recommendation B.2:**

According to recommendation B.2., the Administrative Board and the Managing Directors should undertake long-term succession planning and describe the process in the corporate governance statement. Due to the age structure and the long-term management structure, the Company does not currently deem long-term succession planning necessary.

**Recommendations B.5 und C.2:**

An age limit should be set for Managing Directors (recommendation B.5) and Administrative Board members (recommendation C.2) and stated in the corporate governance declaration. An age limit and control limit for Managing Directors and Administrative Board members have not been set. The Company believes that this is not necessary with regard to age and remaining term of office.

**Recommendation C.7:**

According to recommendation C.7, more than half of the members of the shareholder representatives should be independent of the Company and the Managing Directors. As a major shareholder (around 31% of the shares) and Managing Director, Mr. Popp is not independent as suggested in the recommendation C.7 of the "Deutscher Corporate Governance Kodex (DCGK)". In addition, the Company has made an employment contract with Mr. Bollhöfer, so that a total of two out of three members of the Administrative Board are not to be regarded as independent as suggested in the recommendation C.7 of the "Deutscher Corporate Governance Kodex (DCGK)".

**Recommendation C.8:**

The Administrative Board considers Mr. Popp and Mr. Bollhöfer to be independent, also taking into account the criteria from recommendation C.7 of the DCGK. This is because the relevant criteria for the assessment of independence in C.7. do not allow any conclusions to be drawn about the independence of the respective member when viewed in isolation. Also, so far there have been no signs of a lack of independence on the part of Mr. Popp and / or Mr. Bollhöfer.

**Recommendation C.10:**

According to recommendation C.10, the independence from the Company and the Managing Directors of the following chairs should be preserved: chair of the Administrative Board, chair of the audit committee and chair of the committee dealing with the remuneration of the Managing Directors. In addition, the chair of the audit committee should be independent of the

controlling shareholder. The Administrative Board of the Company consists of three people, in accordance with the company statutes. As a committee has to consist of at least two or, in the case of a decision-making committee, three members, the formation of committees would not have led to a more efficient Administrative Board. The Administrative Board did not form an audit committee.

#### **Recommendation for the formation of committees according to D.2-D.5**

The Administrative Board should form committees according to recommendations D.2-D.5. The Administrative Board of the Company consists of three people, in accordance with the company statutes. As a committee has to consist of at least two or, in the case of a decision-making committee, three members, the formation of committees would not lead to a more efficient Administrative Board. Committees were therefore not formed and will not be formed. Recommendations D.2-D.5 have therefore not been and will not be complied with.

#### **Recommendation D.7:**

According to recommendation D.7, the Administrative Board should meet regularly without the Managing Directors. Not least because of the shareholder structure, the Company's Administrative Board meets regularly with the Managing Directors. This enables efficient and targeted corporate management. However, topics that should and / or must be discussed exclusively within the Administrative Board are dealt with in isolation as independent agenda items and without the presence of the respective board members.

#### **Recommendation D.11:**

According to recommendation D.11, the audit committee should regularly assess the quality of the audit. The Administrative Board of Serviceware SE has not formed an audit committee (see explanations in D.3), so that the quality of the audit is not assessed by an audit committee.

#### **Recommendation F.1:**

According to recommendation F.1., all important new information which has been communicated to financial analysts and similar recipients, should be made available to the shareholders. The Company is sometimes available to analysts for verbal communication. This approach, which is common in the Company's opinion, ultimately promotes information to all shareholders.

#### **Recommendation F.2:**

According to recommendation F.2, the consolidated financial statements and the group management report should be publicly available within 90 days from the end of the financial year and the interim mandatory financial information within 45 days from the end of the reporting period. The Company publishes its consolidated financial statements and the corresponding group management report in accordance with applicable regulations and in particular in accordance with the post-admission obligations of the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) and, therefore, may not comply with the shorter periods provided for by the Code. The Company does not believe that accelerating the publication of its consolidated financial statements would be in the interest of shareholders, creditors, employees or the public in general.

The recommendations on the remuneration of the Managing Directors were fundamentally revised, as part of the new version of the Code that came into force on 20 March, 2020. These are also closely related to the changes in the Stock Corporation Act on the remuneration of Managing Directors by the “Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie” (the law on the implementation of the second shareholder rights directive). The existing system of remuneration for the Managing Directors and the procedures for determining the specific total remuneration and the amount of the variable remuneration components, as well as the specific content of the employment contracts of the Managing Directors are largely not yet in line with the recommendations of the Code. The recommendations G.1 to G.14 on the remuneration of the Managing Directors have therefore not been complied with to date. The Administrative Board will, however, develop a remuneration system that meets the requirements of Section 87a AktG within the relevant statutory deadlines, submit it to the Annual General Meeting for approval and then agree on the remuneration of the Managing Directors in their future employment contracts, in accordance with the system approved by the Annual General Meeting. For this purpose, the Administrative Board will thoroughly examine the new legal requirements and Code recommendations. A prognosis as to which recommendations of the Code on the remuneration of the Managing Directors will and will not be complied with in the future, cannot therefore be given at this point in time.

Bad Camberg, January 2021

The Administrative Board