

## **Corporate governance declaration according to Section 289f and Section 315d Commercial Code (HGB)**

### **Disclosures as per Section 289f and Section 315d HGB**

The corporate governance declaration to be made according to Section 289f and Section 315d HGB is part of the summarised management report and Group management report of MEDICLIN Aktiengesellschaft. Accordingly the following remarks apply to both MEDICLIN Aktiengesellschaft (MEDICLIN AG) and the Group (MEDICLIN).

We, the Management Board and the Supervisory Board of MEDICLIN AG, view this corporate governance declaration as an opportunity to communicate the stability and sustainability of corporate governance at MEDICLIN. We want our declaration to be easily accessible and have therefore published it as well as the corporate governance report on our website (<http://www.mediclin.de/corporate-governance>). The following declaration on corporate governance is issued jointly by the Board of Management and the Supervisory Board, with the Board of Management and the Supervisory Board each being responsible for the parts that concern them.

Section 289f HGB, in the version applicable to financial year 2020 specifically demands that the declaration comprises the following:

1. the conformity declaration pursuant to Section 161 Stock Corporation Act (AktG),
  - 1a. a reference to the company's website on which the remuneration report for the last financial year and the auditor's note in accordance with Section 162 of the AktG, the applicable remuneration system in accordance with Section 87a (1) and (2) sentence 1 of the AktG and the last remuneration resolution in accordance with Section 113 (3) of the AktG are made publicly available;
2. relevant information on corporate governance methods applied in addition to the statutory requirements along with a reference to where this information can be publicly accessed,
3. a description of the working methods of the Management Board and Supervisory Board as well as of the composition and working methods of their respective committees; if the information is publicly accessible on the Company website, a reference to such information is deemed sufficient,
4. the determinations pursuant to Section 76 (4) and Section 111 (5) German Stock Corporation Act (AktG) and information on whether the stipulated targets have been reached during the period under review and, if they have not, the reasons,
5. information on whether the Company complied with minimum proportions regarding the composition of the Supervisory Board of women and men during the period under review and, if it has not, the reasons,

6. a description of the diversity policy that is pursued for the composition of the body representing the Company and the Supervisory Board with regard to aspects such as age, gender, educational or professional background, as well as the objectives of this diversity concept and the manner in which it is implemented and the results achieved within the financial year.

Furthermore, the Management Board and the Supervisory Board use the German Corporate Governance Code to report on the corporate governance of the Company (in particular in item 7). Unless otherwise indicated, all items refer to the German Corporate Governance Code in the version dated December 16, 2019, published on March 20, 2020 (hereinafter also referred to as the DCGK or Code).

## 1. Declaration of conformity pursuant to Section 161 German Stock Corporation Act (AktG)

Section 161 AktG obliges the Management Board and Supervisory Board of MEDICLIN AG to declare annually that the recommendations of the “Government Commission on the German Corporate Governance Code” published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette have been and will be complied with or which recommendations have not been applied or will not be applied and possibly why not. In the year under review, the Management Board and Supervisory Board of MEDICLIN AG dealt with the fulfillment of the recommendations and suggestions of the code. The last annual declaration was made in November 2020. It is reproduced below and is also available on the Company's website. In addition, all previously issued declarations of compliance are permanently available there.

### **Joint Declaration of Conformity 2020 by the Management Board and Supervisory Board of MEDICLIN AG in accordance with Section 161 of the AktG on the Code**

The Management Board and Supervisory Board of MEDICLIN Aktiengesellschaft (MEDICLIN AG) declare that since issuing the last declaration of conformity in November 2020 MEDICLIN has complied with and will comply with the recommendations of the version of the German Corporate Governance Code (Code) of December 16, 2020, published in the official section of the Federal Gazette by the Federal Ministry of Justice as of March 20, 2020, with the exceptions outlined below:

#### Recommendation C.14 of the Code

According to recommendation C.14, in addition to specific recommendations for supervisory board elections - which MEDICLIN fully complies with - the curriculum vitae of all supervisory board members including an overview of important activities in addition to the supervisory board mandate, should be published annually on the company's website. In its previous declarations of compliance, the Supervisory Board has declared a deviation from this and will comply with the recommendation in future from when this declaration is issued.

## Recommendation D.1 of the Code

In accordance with Recommendation D.1, the supervisory board shall adopt its own rules of procedure and shall publish these on the Company's website.

The Supervisory Board of MEDICLIN AG has adopted its own rules of procedure that specify additional provisions on how the Board exercises the tasks delegated to the Board in accordance with the law and the Articles of Incorporation. However, the Board does not see any additional value to publish these rules of procedure on the Company website as the report of the Supervisory Board already contains information on the Board's work in the financial year under review. Furthermore, the tasks and responsibilities of the Supervisory Board are already largely regulated by law and the Articles of Incorporation. Therefore this Code recommendation was not followed.

## Recommendations G.1 to G.16 of the Code

Recommendations G.1 to G.16 contain detailed provisions regarding the remuneration of the management board. The principles and recommendations for the remuneration of the management board in Section G. of the Code have largely been revised. Here it was particularly important to take into account the new legal requirements of ARUG II. Changes to the code do not have to be taken into account in current management board contracts. Insofar as the recommendations in this section are followed, related changes to existing management board contracts are only required if they are extended after the new version of the Code has come into force.

Against this background, the Supervisory Board will make a decision on compliance with recommendations G.1 to G.16 in the management board contracts. Therefore, as a precautionary measure, a deviation from these recommendations is declared at this point.

As far as the previous disclosure of the Management Board remuneration is concerned, this is done in accordance with the statutory provisions, taking into account the so-called opting-out resolution of the Company's General Meeting on May 25, 2016. Thereafter, in accordance with Section 286, Paragraph 5, Clause 1 of the German Commercial Code and Section 314 Paragraph 3 Clause 1 of the German Commercial Code in the version still relevant in accordance with Art. 83 Paragraph 1 EGHGB, the indication of the individualized Management Board remuneration in the annual and consolidated financial statements of the company, which are to be prepared for the financial years 2016 to 2020 (inclusive).

In the same way as the current method of presentation with regard to the publication of Management Board remuneration, the Supervisory Board remuneration is also published as a total amount in the company's management report. The currently applicable remuneration rules for members of the Supervisory Board and the level of remuneration were resolved by the Annual General Meeting on May 26, 2010, taking into account the recommendation of the DCGK in the version valid at that time. They are regulated in detail and transparently presented in the company's articles of association (Section 12 Compensation).

## Recommendation G.4 of the Code (previously Section 4.2.2 Paragraph 2 Clause 3)

In accordance with recommendation G.4, when determining the criteria for the appropriateness of the management board remuneration, the supervisory board should also take into account the

relationship between the management board remuneration and the remuneration of the senior management and the workforce as a whole in terms of development over time.

The Supervisory Board is responsible for examining the appropriateness of the remuneration of the Management Board. When determining the remuneration of the Management Board, the Supervisory Board also takes the company's internal remuneration structure into account. In the opinion of the Supervisory Board, however, the formal procedure recommended by the DGCK is not necessary because it does not lead to any improvement in the quality of decisions. Therefore a deviation from this recommendation is declared.

## Recommendation G.18 of the Code (previously Section 5.4.6. Paragraph 2 Clause 2)

In accordance with Recommendation G.18 Sentence 1 of the Code, the supervisory board remuneration should be fixed remuneration. If members of the supervisory board are granted performance-related remuneration, it shall be geared to the long-term development of the company in accordance with Recommendation G.18 Sentence 2.

In accordance with Article 12 (2) of the Articles of Incorporation, the members of the Supervisory Board receive a variable capped remuneration for each percentage point of dividend that is paid out above a percentage rate of 4 % on the basis of the amount of the subscribed capital. In our view, such a performance-oriented remuneration component promotes the identification of the Company's Supervisory Board members with the Company and is therefore in the interest of MEDICLIN AG. Therefore Recommendations G.18 Sentence 1 of the Code was not followed.

With regard to Recommendation G.18 Sentence 2 (gearing of the supervisory board's performance-oriented remuneration to the long-term development of the company), it is pointed out that the decision about the payment of a dividend depends on key figures (pay-out ratio criteria), which in turn take into account aspects of a success-oriented company development. In this respect, we assume that the variable remuneration component will be aligned with "sustainable corporate development" in accordance with the Code. However, since it cannot be ruled out that other opinions will be represented, a deviation from this recommendation is declared as a precaution.

Offenburg, November 2020

MEDICLIN Aktiengesellschaft

The Supervisory Board

The Management Board

## 1a. Remuneration system and remuneration report

The act to implement the Second Shareholder Rights Directive (ARUG II) came into force on January 1, 2020 and contains significant changes regarding management board remuneration among others (e.g. in Section 87a, 120a and 162 AktG. However, the transitional provision in Section 26j Introductory Act to the German Stock Corporation Act (EGAktG) stipulates certain

transition periods for the implementation (pursuant to Section 87a EGAktG, for instance, the establishment of a new remuneration system for the members of the management board and the resolution of the annual general meeting on such remuneration system must be effected by the first ordinary annual general meeting in 2021; the new remuneration report, which has to be additionally prepared, is for the first time required in financial years beginning in 2021).

Until the end of the implementation period for the separate remuneration report in accordance with Section 162 AktG, the following applies: The disclosure of the Management Board remuneration in the 2020 annual report takes place in accordance with the statutory provisions, taking into account the opting-out resolution of the Annual General Meeting on May 25, 2016.

## 2. Relevant information on corporate governance methods

The corporate governance methods applied by MEDICLIN include, in addition to the statutory requirements, important ethical standards that are enshrined in the Compliance Guidelines and a Code of Conduct.

### Compliance Guidelines

MEDICLIN has prepared internal rules of procedure defining specific requirements for impeccable legal and ethical behaviour. In addition, the Group issued binding requirements for employees in individual spheres of responsibility, for instance in connection with handling patient data, company information, cooperation with other partners in the healthcare sector and the industry, financial benefits and corruption, etc.

The Management Board instructed the compliance officer to report regularly on compliance matters and to prepare an annual report. Moreover, the Management Board regularly initiates random controls in the form of compliance audits.

All executives and employees in a role with a notable risk profile must regularly undergo compliance training concerning legally correct conduct in their specific areas of responsibility. The aim is to raise awareness of compliance issues and promote responsible behaviour.

MEDICLIN's employees are protected when they report violations against the law or policies or other misconduct to the Company. This information is passed on the compliance officer confidentially for further examination.

The Management Board, the Group's executives and employees have explicitly undertaken to comply with all the relevant legal requirements and the principle of ethical and moral integrity.

### Code of Conduct

The Code of Conduct is binding for all employees and includes the compliance duties to be fulfilled. It is available on the MEDICLIN website at <https://www.mediclin.de/corporate-governance/> and governs the following issues:

## **Behaviour in the business and operational environment**

### Compliance with law and order

All employees of the MEDICLIN Group comply with the applicable legal regulations and internal guidelines. They comply with applicable regulations, even if they involve short-term economic disadvantages or difficulties for the Company or individuals. The executives in particular, in their function of acting as a role model, are required to comply with these guidelines to a particularly strong extent.

### Avoidance of conflicts of interest

At MEDICLIN, business decisions are taken solely with the best interests of the Group in mind. Conflicts of interest with private interests or other economic or non-economic activities, even of relatives or other related persons or organisations should be avoided right from the start. If they occur anyway, these conflicts must be solved in compliance with the law and the applicable directives. A prerequisite for this is the transparent disclosure of the conflict.

Secondary employment must be indicated and approved as part of the respective employment contract. Secondary employment at competitors is not permitted on principle.

### Fair behaviour in competition

MEDICLIN prevails in competition through quality and patient orientation. Any form of corruption is strictly prohibited in order to maintain the trust of patients and their relatives as well as referring physicians and coverage providers. This also applies to invitations, gifts or financial donations, the aim of which is to exert influence on entrepreneurial or economic activities.

This means that every employee complies with the competition regulations in their area of responsibility. Suppliers are commissioned according to objective, comprehensible criteria. Non-objective reasons cannot be allowed to play a role in the selection.

MEDICLIN takes all necessary measures to prevent money laundering within its sphere of influence.

## **Work safety and health protection**

The safety and health of our employees are important corporate goals in addition to economic success. All of our employees promote safety and health protection in their working environment and contribute to achieving the high demands of the management requirements of the Berufsgenossenschaft für Gesundheitsdienst und Wohlfahrtspflege for occupational safety and health (MAAS-BGW).

## **Sustainable use of resources**

As a healthcare provider, the responsible use of natural resources is limited to the areas of energy, water and waste. Every employee is required to treat natural resources with care and to contribute to the protection of the environment and the climate through their individual behaviour.

## **Handling information**

### Insider guidelines

MEDICLIN AG is a publicly traded company. Employees who have specific information about circumstances that are not publicly known and whose public disclosure is likely to significantly influence the stock exchange or market price of the MEDICLIN share may not trade shares or other financial instruments of MEDICLIN AG on the basis of this insider information or disclose this insider information irrespective of whether it be voluntarily or due to a gross disregard of due diligence.

### Data protection and data safety

MEDICLIN attaches great importance to the safety of the data of its patients and employees. When dealing with personal data, especially patient-related data, all employees are obliged to comply with data protection and confidentiality.

### Reporting

MEDICLIN places great value in transparent and truthful communication in both internal and external reporting. Each employee ensures that reports, records, and other materials are up-to-date, complete and accurate, and in compliance with applicable law and internal standards and policies.

## **Ethical and moral integrity**

### Code of Conduct

The employees of MEDICLIN are committed to treating each other respectfully. Any discrimination in dealings with colleagues, employees and patients for reasons of age, disability, origin, skin colour, sex, sexual orientation, religious affiliation, beliefs or other personal characteristics is prohibited.

### Equal opportunity

A culture of equal opportunity, mutual trust and mutual respect is part of MEDICLIN's corporate culture and self-understanding.

### Freedom of expression and external presentation

MEDICLIN respects the right to freedom of expression, and MEDICLIN believes that every employee is aware that through their behaviour and public appearance, they can be perceived as a representative of the Company.

## **Social involvement**

MEDICLIN supports local activities promoting health in clubs or schools. Volunteer activities of employees are not actively supported. Political parties or lobbying are supported neither financially nor by providing staff resources.

The Code of Conduct is published under <https://www.mediclin.de/corporate-governance/> at the MEDICLIN website.

### 3. Description of the working methods of the Management Board and Supervisory Board and of the composition and working methods of the committees

#### **Management and controlling body of MEDICLIN**

In the year under review, MEDICLIN AG had a Management Board consisting of two people and a Supervisory Board with a total of sixteen members, which, in accordance with the German Co-determination Act, consists in equal parts of representatives of the shareholders and employees.

On the shareholder side, Dr. Bernard große Broermann resigned his mandate on June 30, 2020. In his place, Marco Walker was elected to the body by the virtual general meeting on September 24, 2020. On the employee side, Daniela Sternberg-Kinzel will be a member of the Supervisory Board from May 26, 2020 instead of Eleonora Seigel.

The term of office of the employee representatives of the Supervisory Board ends at the end of the general meeting that decides on the discharge for the 2023 financial year, i.e. in 2024. The term of office of the shareholder representatives ends with the end of the general meeting that decides on the discharge for the 2023 financial year, i.e. also in 2024, with two exceptions. The term of office of the members of the Supervisory Board Dr. Jan Liersch and Marco Walker ends with the end of the general meeting, which decides on the discharge for the financial year 2024, i.e. in the year 2025.

These two bodies, the Management Board and the Supervisory Board, are strictly separated from one another, both in terms of their members and their competencies. However, both bodies work closely together in the company's interests. Information about the Management Board or the Supervisory Board and its committees is available at <https://www.mediclin.de/corporate-governance/>. With regard to the Supervisory Board, information about professional activities and memberships in other Supervisory Board bodies or comparable committees is published in the Annual Report 2020 and at <https://www.mediclin.de/corporate-governance>.

#### **Tasks of the Management Board**

In the year under review, the Management Board comprises two members, with one member holding the office of Chairman of the Management Board. The tasks and responsibilities of the Management Board members are defined in the Rules of Procedure for the Management Board. Without detracting from the overall responsibility of the Management Board, the individual members lead the business areas assigned to them by the business allocation plan on their own responsibility.

The Management Board leads the company with the aim of creating sustainable value and taking into account the interests of the shareholders, its employees and other groups associated with the company (stakeholders). He has to ensure compliance with the legal regulations and the company's internal guidelines and works towards their observance by the Group companies (compliance). He ensures appropriate risk management and risk controlling in the company. He develops the Company's strategy, coordinates it with the Supervisory Board and ensures its real-



isation. The Management Board is responsible for preparing the interim reports, the annual financial statements of MEDICLIN AG and the consolidated financial statements.

The Management Board works closely with the Supervisory Board for the benefit of the company. The Management Board regularly, promptly and comprehensively informs the Supervisory Board about all questions of relevance to the Company with regard to strategy, budgets, business performance, risk situation, risk management and compliance and regarding deviations from budgets and targets, stating reasons.

## **Tasks of the Supervisory Board**

The Supervisory Board monitors and counsels the Management Board in the management of the business activities and at regular intervals discusses with it the business performance, the corporate planning and corporate strategy and their realisation. The Supervisory Board approves the annual financial statements of MEDICLIN AG and of the Group while taking into account the results of the review carried out by the Audit Committee and the audit reports of the auditor and Group auditor. On the recommendation of the Audit Committee, the Supervisory Board approves the annual financial statements and approves the consolidated financial statements. Key management decisions depend on the consent of the Supervisory Board.

For the 2020 financial year MEDICLIN has also published a non-financial statement or report according to Section 289c and Section 315c German Commercial Code (HGB). The Supervisory Board has entrusted the same auditing company, which audited the annual financial statements of MEDICLIN AG and of the Group, with examining the statement or report and, after consultation, decided to approve it.

According to the Stock Corporation Act and the Rules of Procedure, the Supervisory Board must convene two meetings in each calendar half-year. If required, further Supervisory Board meetings can be convened or resolutions passed using the Company's circulation procedure. The Supervisory Board appraises the efficiency of its working methods. The Supervisory Board appoints the members of the Management Board, proposes the auditors to the Annual General Meeting on the recommendation of the Audit Committee and commissions them in accordance with the resolution of the Annual General Meeting.

Article 11 of the Articles of Incorporation provides the possibility to constitute committees and to delegate decision-making as long as this is in accordance with the law. The formation of committees is defined in the Rules of Procedure of the Supervisory Board of MEDICLIN AG.

The following committees were constituted as of 31 December 2020:

### Mediation Committee pursuant to Section 27 (3) MitbestG

The members of this committee are the Chairman of the Supervisory Board and the Vice Chairman elected under the terms of Section 27 (1) and (2) German Codetermination Act (MitbestG) and in each case one Supervisory Board member elected by majority vote of the shareholder representatives and the employee representatives. The chairman of this committee is the Chairman of the Supervisory Board. The Mediation Committee did not hold any meetings during the 2020 reporting year. On 31 December 2020, the Mediation Committee was composed of the fol-

lowing members: Dr. Jan Liersch (Chairman), Hans Hilpert (Vice Chairman), Frauke Schwedt and Cornelia Wolf.

## General and Personnel Committee

According to the Rules of Procedure of the Supervisory Board, the General and Personnel Committee is made up of the Chairman of the Supervisory Board, his Vice Chairman and in each case up to two Supervisory Board members elected at the suggestion of the shareholder representatives and up to two members elected at the suggestion of the employee representatives. The chairman of the General and Personnel Committee is the Chairman of the Supervisory Board. The General and Personnel Committee prepares the personnel decisions of the Supervisory Board. The General and Personnel Committee held two meetings in the 2020 reporting year. On 31 December 2020 the General and Personnel Committee was composed of Dr. Jan Liersch (Chairman), Hans Hilpert (Vice Chairman), Kai Handeln, Rainer Laufs, Thomas Müller and Dr. Thomas Witt.

## Audit Committee

According to the Rules of Procedure of the Supervisory Board, the Audit Committee consists of at least two Supervisory Board members elected at the suggestion of the shareholder representatives and two Supervisory Board members elected at the suggestion of the employee representatives. There is no need for equal representation in the Audit Committee. The Chairman of the Audit Committee is elected at the suggestion of the shareholder representatives. The Audit Committee is responsible for monitoring the accounting procedures, the effectiveness of the internal controlling system, the risk management system, the internal auditing system and compliance. It also deals with the auditing of the financial statements, ensuring in particular the necessary independence of the auditors, commissioning the auditors, determining the main focus of the audit and the fee agreement as well as the services additionally rendered by the auditors. The Chairman of the Audit Committee has special knowledge of and experience in the application of accounting principles and internal controlling procedures. He/she is independent of the Company and the Management Board and the controlling shareholder and has not been a member of the Company's Management Board for the last two years. In determining the independence of the current Chairman of the Audit Committee, Michael Bock, the shareholder representatives also considered that he has been a member of MEDICLIN AG's Supervisory Board for more than twelve years. Nevertheless, Michael Bock is still considered to be independent of the Company as, in the view of the shareholder representatives, the term of office alone does not constitute a material and permanent conflict of interests. Michael Bock was considered an independent member during his entire office; during his office, he benefited the Company by contributing beneficial expertise and sector knowledge and by gaining ever deeper knowledge of company-specific aspects. However, he also has the required experience to maintain the professional distance to the Company that is required to independently fulfil his office. The Audit Committee convened for five meetings during the 2020 reporting year. On 31 December 2020 the Audit Committee was composed of Michael Bock (Chairman), Frauke Schwedt, Matthias H. Werner and Cornelia Wolf.

## Nomination Committee

The Nomination Committee is made up exclusively of shareholder representatives. The task of the Nomination Committee is to propose to the Supervisory Board suitable candidates for the Supervisory Board's election proposals to the Annual General Meeting. The Nomination Committee convened for

two meetings during the 2020 reporting year. On 31 December 2019 the Nomination Committee was composed of Dr. Jan Liersch, Michael Bock and Cornelia Wolf.

## COVID-19 Committee

The members of the General and Personnel Committee, supplemented by the chairman of the Audit Committee, form this Committee, which is to discuss the current effects and measures of the corona pandemic on MEDICLIN with the Management Board and, if necessary, to inform the entire Supervisory Board. The Committee met twice in the year under review. As of December 31, 2020, Dr. Jan Liersch (Chairman), Hans Hilpert (Deputy), Michael Bock, Kai Hankeln, Rainer Laufs, Thomas Müller and Dr. Thomas Witt were members of this committee.

The current members of the Management Board, the Supervisory Board and the Committees are also listed on the Company's website (<https://www.mediclin.de/corporate-governance/>).

## **Independence of the Board members**

Some of the members of the Supervisory Board hold leading positions in other companies to which MEDICLIN maintains business relations. Business is conducted under the same conditions as those applicable to third parties. Thus, in the opinion of MEDICLIN, these activities do not influence the independence of the Supervisory Board members.

The notes to the consolidated financial statements provide a detailed report on the business relations (Other information/Report concerning related parties pursuant to IAS 24).

## **4. Targets for the equal participation of women and men in management positions**

### **Targets and deadlines for reaching these targets at management levels below the Management Board**

The Management Board is committed to diversity in management positions within the Company, and in particular strives for the appropriate participation of women. Due to the flat hierarchy within the Company, there is one management level below the Management Board. The Management Board had planned to reach a share of women in management positions of 15 % by 30 June 2017. On 30 June 2017 the share of women was 20 %, therefore the target was surpassed. On 1 July 2017 the Management Board passed a new resolution that adjusted the target to maintain the share of women of at least 20 % until 30 June 2022. As of December 31, 2020, the share of women was 20%.

### **Targets and deadlines for reaching these targets on the Management Board**

With regard to the proportion of women at Management Board level, the Supervisory Board decided that the target ratio to be achieved for the share of women on the Management Board was set at 0 %. The Supervisory Board decided to maintain this target quota with a deadline of March 31, 2023.

## 5. Minimum proportion of women and men on the Supervisory Board

Since the Supervisory Board has objected to the general fulfilment pursuant to Section 96 (2) Sentence 3 of the German Stock Corporation Act (AktG), the Company's minimum proportion of 30 % of women and 30 % of men must be met separately, both by the shareholder representatives and the employee representatives on the Supervisory Board. In consideration of the current number of eight seats on each side, at least two must be held by women and at least two by men (figures were rounded). Both the employees' and shareholders' side already meet the quota of 30 % women. As of December 31, 2020, a total of seven Supervisory Board members were women and nine Supervisory Board members were men.

## 6. Diversity concept in leadership functions

Section 289f HGB and Section 315d German Commercial Code (HGB) require that the corporate governance declaration to be published includes a description of the diversity policy that is pursued for the composition of the body representing the Company and the Supervisory Board with regard to aspects such as age, gender, educational or professional background, as well as the objectives of this diversity concept and the manner in which it is implemented and the results achieved within the financial year.

### **Diversity on the Management Board**

#### **Share of women on the Management Board**

In accordance with Section 111 (5) AktG and recommendation B.1 of the Code, the supervisory board should consider diversity in the composition of the Management Board. In accordance with Section 111 (5) AktG and principle 9 of the Code, the supervisory board sets targets for the proportion of women on the management board. The Supervisory Board of MEDICLIN decided to maintain its target of 0 % until March 31, 2023. The Supervisory Board wants to be able to select the members of the Management Board on the basis of competence profiles without a specific quota.

#### **Definition of the diversity concept for the Management Board**

In its diversity concept in accordance with Section 289f (2) Number 6 HGB, the Supervisory Board considers aspects of diversity in its personnel decisions for the Management Board. The aim of this concept is to achieve a good understanding of the industry-specific financial, organisational and entrepreneurial aspects of MEDICLIN in the Management Board. A diversity of competencies satisfying these specific requirements should in principle enable the Management Board to make decisions with due consideration of all relevant circumstances and to be receptive to innovative ideas. It should thus contribute to the successful management of the Company.

## **Implementation of diversity concept**

The Management Board considers aspects of diversity, with the exception that it does not include a female member. Both Board members have industry knowledge and extensive experience in their specific areas of responsibility (departmental responsibility). They have leadership experience in addition to their professional experience and a sound academic education. The Supervisory Board sees the given age structure as appropriate due to the changing requirements in the healthcare sector. According to the recommendations of the German Corporate Governance Code (Code), the Supervisory Board has set an age limit of 65 for members of the Management Board.

## **Diversity on the Supervisory Board**

### **Objectives for the composition of the Supervisory Board and for the skills profile of the entire body – diversity concept**

According to recommendation C. 1 sentence 1 of the Code, the supervisory board should name specific goals for its composition and develop a competence profile for the entire committee. According to recommendation C. 1 sentence 2 of the Code, the supervisory board should pay attention to diversity when specifying specific goals for its composition and when developing the competence profile. In the case of listed companies to which the German Codetermination Act applies, the supervisory board is made up of at least 30 percent women and at least 30 percent men.

The Supervisory Board has set goals for its composition. He has also drawn up a competence profile for the entire committee.

On the basis of the goals set out below, in particular the goal of the diversity of professional expertise in the Supervisory Board, the Supervisory Board will always work towards proposing the most suitable candidates for election to the Annual General Meeting from its point of view. The Supervisory Board has also ensured that the candidates put up for election can spend the expected amount of time on their Supervisory Board activities.

### Professional and educational background

Due to the Company's business activities and size, the Supervisory Board of MEDICLIN AG strives for a composition in which the Board members possess the following professional and educational background, with at least two Board members being independent.

The Supervisory Board shall in its totality consist of members, who:

- have experience in leading corporations, associations, networks and cost carriers,
- have experience in leading (publicly traded) corporations of similar size working in comparable positions (management board, managing director), and
- have experience in other similar supervisory organs.

Furthermore the Supervisory Board in its totality shall have:

- experience in the health care industry and its value chains, and
- sufficient knowledge about finance, accounting, law and compliance.

If possible, the following additional qualifications/skills shall be taken into account:

- experience with digitalisation and information technology, and
- practical experience in the areas of medicine, therapy, nursing and services.

In the Supervisory board there shall be:

- at least one independent member with expertise in accounting and auditing in accordance with Section 100 (5) German Stock Corporation Act (AktG).

The Supervisory Board intends to achieve an appropriate balance between the aforementioned criteria.

Furthermore the Supervisory Board will take into account the following additional issues and goals:

- The qualifications of the chairman of the Auditing Committee require special knowledge and experience in the application of accounting principles and internal control procedures. He/she should be independent and should not be a former Management Board member of the Company, whose appointment ended less than two years ago.

## Independence and integrity

According to Recommendation C.6 Sentence 1 of the Code, the shareholders' side of the supervisory board should have what they consider to be an appropriate number of independent members. Within the meaning of Recommendation C.6 of the Code, a supervisory board member is considered independent if he/she is independent from the company and its management board, and independent from any controlling shareholder. This is further specified in the following Recommendations C.7 to C.9.

The shareholder representatives on the Supervisory Board consider it to be appropriate and seek to ensure that at least one member of the Supervisory Board of the shareholder side should be free of any potential conflicts of interest, in particular any such conflicts arising from advisory roles or membership roles at customers, providers, credit providers or other third parties (e.g. consultants).

## Gender diversity

Currently the Supervisory Board of MEDICLIN consists of sixteen members which, in accordance with the German Codetermination Act represent shareholders and employees in equal parts. Seven Supervisory Board members are women.

Publicly traded companies, to which the German Codetermination Act applies, already are required to have at least 30 % women and at least 30 % men on the Supervisory Board. The Company has already met its previously agreed target of a minimum of 30 % women by achieving a 30 % share of women on both the shareholder and employee sides. In this regard, the Supervisory Board has not adopted any new targets or time limits.

## Age structure

The age limit for Supervisory Board members is usually the completion of seventy years of age. In justified cases, it is possible to deviate from this age limit in the interests of the Company. There is no limit to the length of membership on the Supervisory Board.

## Implementation of diversity concept

The Supervisory Board of MEDICLIN, in its current composition, fulfils the aforementioned objectives for the composition as well as the objectives for the skills profile of the entire body. The members of the Supervisory Board have the required professional and personal qualifications based on their professional experience and expertise as well as their personal qualities.

The Supervisory Board is made up of industry experts and has the necessary knowledge and experience, particularly in the areas of finance, accounting, auditing, risk management, internal control procedures and compliance. Several members have knowledge of all of the above. In the future, the Supervisory Board will pay particular attention to bringing further competencies in the areas of digitization, market development and health policy into the committee, while further developing the catalogue of criteria used to date for the selection of Supervisory Board candidates. He will pay attention to the age structure and different educational backgrounds and backgrounds.

The age limit is set at the completion of seventy years of age and has been adhered to, except for one justified exceptions.

In the opinion of the Supervisory Board, the Supervisory Board comprises a reasonable number of independent shareholder representatives. In the opinion of the shareholder representatives, of the entire Supervisory Board and of the Management Board, four members of the Supervisory Board are currently independent within the meaning of the Code, namely Barbara. Brosius, Dr. Julia Dannath-Schuh, Rainer Laufs and Michael Bock; despite his more than twelve years on the Board, the latter is considered to be independent (see item 3.).

Aspects of diversity are taken into account in the Supervisory Board. It has a reasonable experience and age structure. There is also an appropriate diversity of educational and professional background in the body. In terms of their knowledge and experience, the members meet the requirements of MEDICLIN as a service provider in the health sector.

## 7. Further corporate governance reporting

In accordance with Recommendation B.2 of the Code, the Supervisory Board shall ensure together with the Management Board that there is long-term succession planning for the Management Board. The Supervisory Board regularly discusses these issues, also outside of Supervisory Board meetings. Given that the Board is composed of industry professionals, the Supervisory Board has an overview of the executives active in the healthcare market, while the Management Board knows the potential of the Group's own executives thanks to internal executive development programs. According to the recommendations of the Code, the Supervisory Board has set an age limit of 65 for members of the Management Board.

Information on the objectives for the composition of the Supervisory Board and their implementation, on the independent shareholder representatives and the age limit for members of the Supervisory Board is provided in item 6.

The length of membership of the Supervisory Board members in office as of December 31, 2020, is as follows:

Supervisory Board member (as of December 31, 2020)	Member of the Supervisory Board since:
Dr. Jan Liersch	16.11.2019
Hans Hilpert	01.01.2003
Michael Bock	25.05.2005
Barbara Brosius	31.05.2017
Dr. Julia Dannath-Schuh	29.05.2019
Walburga Erichsmeier	20.09.2012
Kai Hankeln	29.05.2019
Rainer Laufs	23.10.2014
Thomas Müller	20.09.2012
Elke Schwan	29.05.2019
Frauke Schwedt	01.01.2019
Daniela Sternberg-Kinzel	26.05.2020
Marco Walker	24.09.2020
Matthias H. Werner	01.08.2014
Dr. Thomas Witt	29.05.2019
Cornelia Wolf	25.05.2016

Information on the members of the committees and their chairpersons is provided under item 3.

The Supervisory Board regularly assesses how effective the Board and its committees have fulfilled their roles. At the end of the 2018 financial year / beginning of the 2019 financial year, the Supervisory Board carried out the following self-assessment measure: It distributed structured questionnaires, asking the Supervisory Board members for feedback. The questionnaire contained questions on organisational efficiency, personal efficiency and the efficiency of the Supervisory Board in dealing with the relevant issues and also addressed the structure of the Supervisory Board and its committees, the composition of the Supervisory Board and the procedures governing their usual cooperation. By means of this self-assessment, the Supervisory Board aims to ensure effective communication between the Supervisory Board and the Management Board and to further promote the Supervisory Board members' understanding of themselves as representatives of the shareholders or employees while keeping in mind the corporate objectives and the resulting challenges. The goal is to analyse the activities of the Supervisory Board and, on this basis, to develop recommendations for the future Supervisory Board work. In the end, the recommendations are to be incorporated into the work of the Supervisory Board. The answers in the questionnaires are kept confidential and the questionnaires are externally analysed and evaluated by a law firm retained for this purpose. The findings and issues will then be discussed by the Supervisory Board in order to ensure the body continues to work well in the long term.

There are no statutory provisions applicable to MEDICLIN that would override the recommendations of the German Corporate Governance Code (DCGK).



## **Share transactions of the Management Board and the Supervisory Board**

According to Article 19 of the European MAR (Market Abuse Regulation), members of the Board of Management and the Supervisory Board and persons closely related to them are obliged to disclose the acquisition or sale of securities of MEDICLIN AG. No transactions were reported in the 2020 financial year.

The total amount of MEDICLIN AG shares held by all members of the Management Board and the Supervisory Board on December 31, 2020, was less than 1 % of the shares issued by the Company.

Direct holdings of more than 52.73 % are held by Asklepios Kliniken GmbH & Co. KGaA and indirect holdings by Asklepios Kliniken Management GmbH as the personally liable partner of Asklepios Kliniken GmbH & Co. KGaA and Broermann Holding GmbH as the limited partner of Asklepios Kliniken GmbH & Co. KGaA. Dr. Bernard große Broermann (member of the Supervisory Board till June 30, 2020) holds an indirect share through the aforementioned companies.

## **Communication with shareholders**

The annual financial statements of the Group and of MEDICLIN AG are presented to the public at the press and analysts' conference on the financial statements in March every year. During the year, the business performance is commented on in detail in the interim reports of the Group. Relevant information is published in news updates. All information is clearly presented on the Company's website and available for download.

The Annual General Meeting usually takes place in Frankfurt am Main in May. Due to the ongoing pandemic situation in 2020, the Management Board decided, with the consent of the Supervisory Board, to abolish the provisions of the law that came into force on March 28, 2020 to mitigate the consequences of the COVID-19 pandemic in civil, insolvency and criminal procedure law, here Article 2, make use of and hold the general annual meeting as a virtual general annual meeting. Due to the COVID-19 emergency legislation (company law COVID-19 regulation of October 19, 2020), virtual general annual meetings can be held until the end of the calendar year 2021. The Management Board and the Supervisory Board are expected to make use of this option in 2021 as well.

Individual talks are held with analysts and investors in the scope of investor relations activities.

## **Treasury stock**

MEDICLIN AG holds no treasury stock at present.

## **D&O insurance**

MEDICLIN AG took out an economic loss liability group insurance for the members of the Management Board and Supervisory Board. This is in the Company's own business interest. The insurance covers the liability risk in the event that Management Board and Supervisory Board members are made liable for economic losses incurred in the performance of their activities.

## **Audit of financial statements**

The consolidated financial statements and the group interim reports are prepared in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied in the European Union. The financial statements of MEDICLIN AG, which are required by law and are decisive for the dividend payment, are prepared in accordance with the provisions of the German Commercial Code (HGB). The annual financial statements are verified by auditors and approved by the Supervisory Board. The annual non-financial declaration of the Group that is included in the summarised management report and the Group management report is audited in accordance with the ISAE 3000 audit standard. The consolidated financial statements are made available to the public within 90 days after the end of the financial year; the interim financial statements within 45 days after the end of the quarter.

The auditor has to report all significant audit findings and events arising from the audit to the Chairman of the Audit Committee and the Supervisory Board immediately. Furthermore, the auditor is obliged to inform the Supervisory Board and to record in the auditor's report any facts discovered in the course of the audit which reveal any inaccuracies in the conformity declaration issued by the Management Board and Supervisory Board pursuant to Section 161 of the German Stock Corporation Act (AktG). The auditor for the 2020 financial year is PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt.

Offenburg, March 25, 2021

MEDICLIN Aktiengesellschaft

The Management Board

The Supervisory Board