

Corporate governance statement pursuant to Section 289f, 315d of the German Commercial Code (HGB)

The principles of responsible and good corporate governance guide the activities and actions of the executive and controlling bodies of SLM Solutions Group AG. In this statement, the Management Board – also on behalf of the Supervisory Board – submits a report pursuant to Section 3.10 of the German Corporate Governance Code (DCGH) as well as pursuant to Section 315d of the German Commercial Code (HGB).

I. Statement relating to the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)

During the 2018 financial year, the Management and Supervisory boards of SLM Solutions Group AG concerned themselves repeatedly with corporate governance topics, and on February 19, 2019, jointly issued the updated corporate governance compliance statement for 2018 pursuant to Section 161 of the German Stock Corporation Act (AktG). In accordance with the “comply or explain” principle, the corporate governance recommendations contained in the DCGK are either implemented, or departures from the recommendations are explained. The current governance compliance statement and all previous compliance statements are available permanently on the Internet at www.slm-solutions.com.

Wording of the corporate governance compliance statement

In the past twelve months SLM Solutions AG (the “company”) has complied with, and will continue to comply in the future with the recommendations of the German Corporate Governance Code government commission in the version of February 7, 2017, published by the German Federal Ministry of Justice in the official part of the Federal Gazette (Bundesanzeiger), except for the following departures:

- **Composition of the Management Board** (Section 4.2.1): The Management Board currently consists of several members, but did not have a chair or a spokesperson until March 20, 2018. The Management Board has had a Spokesperson since March 21, 2018 and will have a spokesperson or chair in the future as well.
- **Tasks and Responsibilities of the Supervisory Board** (Section 5.1.2): With regard to the age limit for the Executive Board, the Supervisory Board is of the opinion that the selection of the Executive Board should focus above all on knowledge and skills as well as professional competence. Therefore, there is currently no age limit for the members of the Executive Board and such a limit will not be introduced in the future either.
- **Composition of the Supervisory Board** (Section 5.4.1 (2), (3) and (4)): With respect to the current composition, the company’s Supervisory Board considers the provisions of the Code to be fulfilled with respect to its member’s knowledge and experience. With the exception of a target of 0% for the share of women on the Management Board, which is in line with the current

composition of the Management board, the Supervisory Board has not named any specific objectives that take account of the company's international activities, potential conflicts or interests and diversity. The company's Supervisory Board is of the opinion, in regards to age limit, that in selecting the members of the Supervisory Board, the primary focus should be directed at knowledge and skills as well as professional competence. The Supervisory Board welcomes the intention of the "Act for Equal Participation of Men and Women in Leadership Positions in the Private Sector and in the Public Sector". The Supervisory Board has not designated any specific objectives for its composition, except for the aforementioned required target size for the share of women on the Supervisory Board. The Supervisory Board wishes to prevent rigid quotas from impeding the election of the company's most suitable Supervisory Board members.

II. Management and Supervisory board working methodology

Pursuant to the statutory regulations contained in German Stock Corporation law, SLM Solutions Group AG operates in a dual executive and supervisory structure. While the Management Board manages the company's business, the Supervisory Board consults with the Management Board regarding the management of the company and supervises such management. The areas of responsibility of the Management and Supervisory Boards are set out in the German Stock Corporation Act (AtkG) and the company's bylaws. The Management and Supervisory boards of SLM Solutions Group AG work together closely for the company's benefit.

- The **Management Board** manages SLM Solutions Group AG under its own responsibility and is its legal representative. It is bound to pursue the company's interests and is obligated to continually enhance the company's value. To this end, it develops the company's strategic orientation, coordinates it with the Supervisory Board, and ensures that it is implemented. The Management Board discusses the status of strategy implementation with the Supervisory Board at regular intervals. Moreover, it ensures compliance with statutory provisions and the company's internal guidelines, including the observance of such provisions and guidelines by Group companies (compliance). The Management Board's reporting duties are set out comprehensively by type and content in the Management Board's rules of business procedure. The Supervisory Board appoints the Management Board and also sets its compensation.

At present, the Management Board of SLM Solutions Group AG consists of three members: Uwe Bögershausen (Chief Financial Officer), Dr. Axel Schulz (Sales, Service and Marketing) and Dr. Gereon W. Heinemann (Research and Development, Supply Chain).

- The **Supervisory Board** of SLM Solutions Group AG consults with and supervises the Management Board in its managerial activities according to statutory provisions and the company's bylaws. It appoints the Management Board, and is entitled to recall them from office for justified reasons. The Management Board provides frequent, up-to-date and comprehensive information to the Supervisory Board, especially relating to basic corporate planning questions, as well as about the company's financial posi-

tion and performance, profitability, and business trends and development. The Supervisory Board of SLM Solutions Group AG currently consists of six members: Hans-Joachim Ihde (Chairman), Peter Grosch (Deputy Chairman), Lars Becker, Klaus J. Grimberg, Bernd Hackmann and Volker Hichert. The Supervisory Board of SLM Solutions appointed a chairman's committee, an audit committee and a nomination committee.

The **Chairman's Committee** consists of the Supervisory Board chair, the deputy chair and a another member elected by the Supervisory Board. The current members of the chairman's committee are Hans-Joachim Ihde (Chairman), Peter Grosch and Volker Hichert. It concerns itself especially with the appointment and recall of Management Board members from office, and the CEO's appointment, with the conclusion, amendment and termination of employment contracts with Management Board members, as well as with the Management Board compensation scheme's structure, including significant contractual elements and total compensation of individual Management Board members.

The **audit committee** consists of three members elected by the Supervisory Board. The current members are Klaus J. Grimberg (Chairman), Lars Becker and Bernd Hackmann. The audit committee supervises the financial accounting process, including the efficacy of both the internal controlling system and the risk management system. It discusses quarterly reports, handles questions relating to compliance and reporting to the Supervisory Board. It also prepares for the Supervisory Board a review of the annual financial statement, the management report and the proposal for the application of appropriation of earnings, as well as the consolidated financial statements and Group management report. In this context, the audit committee has the auditor provide it with an in-depth view of the company's financial position and performance. It concerns itself with questions relating to the auditor's required independence, the issuing of the audit mandate to the auditor, the setting of focal audit points and agreeing to the auditor's fee.

The **nomination committee** consists of the Supervisory Board Chair and the members of the Chairman's Committee. The current members are Hans-Joachim Ihde (Chairman), Peter Grosch and Volker Hichert. The nomination committee suggests suitable candidates to the Supervisory Board for the election during the Annual General Meeting. These nominations shall take place in the run-up to the 2019 Annual General Meeting. During the meeting, new elections to the Supervisory Board will be on the agenda.

III. Information about corporate governance practices

Internal management structures at SLM Solutions Group AG are distinguished by clear organisation and direct reporting lines. Information about Management Board compensation at SLM Solutions Group AG is included in the company's bylaws, which are available online at the company's website at www.slm-solutions.com.

Risk management and internal controlling and risk management system

SLM Solutions Group AG operates in a technologically demanding future-oriented market that entails both opportunities and risks. SLM Solutions has instituted a number of measures to ensure the continuance of the company and to foster its positive growth and development. The **management system for opportunities and risks**, which is continuously integrated into all significant corporate processes, forms an important part of these measures. This system helps the SLM Solutions Group identify opportunities and risks at an early state and respond proactively to them. As a result, the risk management systems comprises not only an important safeguarding instrument, but also helps the company achieve its objectives. SLM Solutions Group AG also has an **internal controlling and risk management system (ICS)** relating to the (Group) financial accounting process in which appropriate structures and processes are defined, and are implemented within the organisation. It is designed to ensure that all business processes and transactions are accounted for quickly and correctly, and on a standardized basis. It ensures compliance with statutory standards, accounting regulations and internal accounting instructions that are binding for all of the companies included in the consolidated financial statements. Amendments to acts and financial accounting standards, as well as other promulgations, are continuously analysed in relation to their relevance and effects for the consolidated financial statements, and the resulting changes are integrated into the Group's internal systems and procedures.

The report on risks and opportunities contained in this annual report provides detailed information about risk management and the accounting-related internal controlling system.

Transparency

The Management Board is of the opinion that responsible and value-creating corporate management is distinguished not only by setting up efficient structures, but especially also by open communication and a high degree of transparency on the part of the company. For this reason, SLM Solutions Group AG sets itself the objective of informing investors, analysts and other interested parties openly, quickly, and directly. Extensive information that is continuously updated is available for this purpose on the website of SLM Solutions Group AG within the Investor Relations area. This is supplemented by an investor relations electronic mailing list through which interested parties receive current corporate news via email. Frequent roadshows in Europe and North America, as well as conference calls to accompany publications of quarterly and annual reports, are also conducted.

Financial calendar

The scheduled dates of essential reoccurring events and publications, such as the Annual General Meeting, the management report and interim reports, are compiled in a financial calendar. This calendar is published with sufficient lead-time, and is available on the company's website at www.slm-solutions.com.

Reporting requirements

SLM Solutions Group AG complies with the statutory reporting requirements, publishing corresponding information – where required – on its website at www.slm-solutions.com.

Stipulation of target values pursuant to sections 76 (4), 111 (5) AktG

The Supervisory Board resolved on a target value of zero and an implementation deadline of March 13, 2020, for the percentage of women in the Supervisory Board. This corresponds to the current state and the target values existing to date, which have thus been attained. The Supervisory Board wishes to prevent rigid quotas from impeding the election and the appointment of the company's most suitable Supervisory Board members. The members of the company's bodies should be appointed regardless of gender to ensure that neither women nor men are advantaged or disadvantaged. This does not exclude an increase in the share of women if one or several female candidate(s) is/are able to prevail in case of new appointments on account of her/their competence and qualification.

The Management Board stipulated a target value of 10% and an implementation deadline of March 13, 2020 for the percentage of women working in positions at the first management level below the Management Board, and a target value of 5% and an implementation deadline of March 13, 2020 for the second management level below the Management Board. This corresponds to the current state and the target values existing to date, which have thus been attained.

Diversity Concept

The Management Board and Supervisory Board expressly appreciate all efforts to prevent age-related or gender-related, educational or occupational as well as any other form of discrimination and to reasonably promote diversity in the company. In terms of corporate management, especially staffing and career development and further training in the company, the Management Board and Supervisory Board only attach importance to the specific competence and qualification of the relevant persons as well as to the company's best interests. This also includes, using the existing human resources as efficiently as possible taking into account the comparably small size and the economic situation of the company. Against this background, the company has been refraining from developing and pursuing a concept of diversity to date.

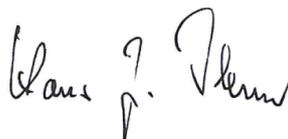
Lübeck, February 19, 2019

For the Management Board

For the Supervisory Board



Uwe Bögershausen



Hans J. Ihde

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