

## Corporate Governance Report

The German Corporate Governance Code has been in force since 2002. It was last updated in February 2017 and contains rules, recommendations and suggestions for appropriate and responsible corporate governance. The code serves to create more transparency in order to increase the confidence of investors, customers, employees and the public in the corporate governance of German companies. 3U HOLDING AG welcomes the provisions of the German Corporate Governance Code (GCGC), which consider the interests both of the company and of investors.

Good and sustainable corporate governance is particularly significant for 3U HOLDING AG as a Group with a large number of equity investments. The Management Board and the Supervisory Board are convinced that good corporate governance that considers company- and sector-specific aspects is an important foundation for 3U HOLDING AG's success. The implementation and observance of these principles are seen as key management tasks.

In the 2018 financial year, the Management Board and the Supervisory Board again considered the corporate governance of 3U HOLDING AG and the Group and the content of the German Corporate Governance Code in depth. As in the previous years, 3U HOLDING AG complied with nearly all of the German Corporate Governance Code's recommendations in the reporting period.

The Supervisory Board and the Management Board of 3U HOLDING AG submitted the declaration of compliance required by the German Stock Corporation Act (AktG) in the reporting period on 14 March 2018 and most recently on 12 March 2019. It is available to view at any time on the company's website ([www.3u.net](http://www.3u.net)) under "Investor Relations/Corporate Governance".

### **Declaration of the Management Board and the Supervisory Board of 3U HOLDING AG on the recommendations of the "Commission of the German Corporate Governance Code" in accordance with Section 161 AktG.**

Since the last declaration of compliance of 14 March 2018, 3U HOLDING AG has complied with the recommendations of the "Commission of the German Corporate Governance Code" in the current version of the German Corporate Governance Code of 7 February 2017 with the exceptions listed below, and will continue to do so:

- No. 3.8: The company's D&O policy does not include a deductible for the Supervisory Board. In this regard, 3U HOLDING AG believes that the responsibility and motivation with which the members of the Supervisory Board carry out their tasks cannot be improved by such a deductible.
- No. 4.1.5: When filling managerial positions, the Management Board is guided by the requirements of the position in questions and looks for the best possible person who meets these requirements. If several equally qualified candidates are available, the Management Board takes diversity and an appropriate consideration of women into account without making these criteria an overriding principle.
- No. 5.1.2: When making appointments to the Management Board, the Supervisory Board is guided by aptitude and qualification and looks for the best possible candidates for Management Board positions. In the company's opinion, the special weighting prescribed by the Code for other criteria would limit the selection of possible candidates for the Management Board.

- No. 5.4.1: Aptitude, experience and qualification are also the decisive selection criteria when making appointments to the Supervisory Board. Being tied to targets regarding its future composition would limit flexibility without providing any other advantages of the company. This applies all the more because the Supervisory Board comprises only three members.

Düsseldorf/Marburg, 12 March 2019

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For the Supervisory Board  
Ralf Thoenes

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For the Management Board  
Michael Schmidt

## Enhancement of corporate governance

3U HOLDING AG continues to develop its understanding of good and responsible corporate governance. Professional and efficient corporate management and control in the Group are based on governance, risk and compliance systems.

Risks must chiefly be prevented where they can arise. If this is not possible, they must be identified and minimised. In order to guarantee this, preferably automated internal controls are implemented in the business processes. As this is not entirely feasible in every case, the effectiveness of the control system must be ensured with additional control measures by the management.

The second line of defence, to which functions such as Group-wide risk management and compliance are allocated, provides the framework for the configuration of the internal control system, the risk management system and the compliance management system, for example with guidelines and work instructions. The close integration of the internal control system, risk management system and compliance management system guarantee the greatest possible effectiveness when it comes to preventing and managing risks.

The Group's risk manager performs independent reviews to monitor the appropriateness and effectiveness of the processes and systems implemented for risk management in the broadest sense. The risk manager reports directly to the Management Board Chairman and the Supervisory Board. The model is rounded off by the external monitoring of the auditor, which includes the results of the risk manager's reviews in its assessment.

## Appropriate control and risk management

Corporate governance at 3U HOLDING AG includes the responsible handling of risk. Continuous and systematic management of business opportunities and risks is of fundamental importance for professional corporate governance. It helps to identify risks early, evaluate them, and take measures to manage them. The Management Board regularly reports to the Supervisory Board about the current development of the Group's material risks. The Supervisory Board regularly focuses on monitoring the effectiveness of the accounting process and the internal control and risk management system. 3U HOLDING AG continuously enhances the individual systems and adapts them to changing conditions. Key features of our control and risk management system can be found in the report on opportunities and risks.

## Compliance

Compliance is a Group-wide measure for adherence to laws and internal guidelines and is a key management and monitoring task at 3U HOLDING AG. There is a clear commitment to compliance with laws and internal guidelines: There is zero tolerance for violations. All indications of misconduct are investigated.

## Objectives of the Supervisory Board and the Management Board regarding their respective composition and the composition of the management levels below the Management Board

The Supervisory Board currently comprises three male members. They were appointed until the end of the Annual General Meeting that approves their conduct for the 2022 financial year. The Supervisory Board remains committed to its stipulation of 30 September 2015 that the target for the proportion of women on 3U HOLDING AG's Supervisory Board is 0%.

The Management Board currently comprises three male members. The Supervisory Board is of the opinion that the Management Board positions are currently filled by the best possible people and that enlarging the Management Board is not advisable in light of the company's size and structure. The Supervisory Board therefore remains committed to its stipulation of 30 September 2015 that the target for the proportion of women on 3U HOLDING AG's Management Board is 0%.

There is currently only one management level below the Management Board at 3U HOLDING AG, which presently comprises two male members. The Management Board remains committed to its stipulation of 30 September 2015 that the target for the proportion of women at the management level below the Management Board is 0%.

## Avoidance of conflicts of interest

There were no significant advisory or other service agreements and contracts for work between Supervisory Board members and the company in the reporting year. The contractual relationships in the reporting year are presented in the remuneration report. Conflicts of interest of Management Board or Supervisory Board members, which have to be disclosed immediately to the Supervisory Board, did not arise.

The related party disclosures are made under No. 8.3 of the notes to the consolidated financial statements.

## Shareholders and Annual General Meeting

The shareholders of 3U HOLDING AG exercise their rights at the company's Annual General Meeting, which is led by the Chairman of the Supervisory Board in accordance with the Articles of Association. The Annual General Meeting is held once a year. Each share carries one vote.

The shareholders can exercise their voting rights at the Annual General Meeting either themselves or via a proxy of their choosing or via a proxy appointed by the company who is bound by the shareholder's instructions. All documents and information on the Annual General Meeting are available to shareholders at an early stage on the company's website. Shareholders can also address questions to employees of the Investor Relations department by telephone or e-mail.

## Transparency due to high quality of information

Our dialogue with the capital market aims to inform all target groups comprehensively, equally and in a timely manner, providing facts relevant to the share price in the highest possible quality.

The presentations made to analysts and investors are uploaded very quickly for free viewing on the website, where our Investor Relations department also provides extensive data and facts to help analysts and investors better understand and assess our businesses and their value prospects.

We announce recurring events such as the date of the Annual General Meeting or the publication dates of the interim reports in a financial calendar, which is published in the annual report, in the interim reports and on the company's website.

Our website also provides information about the latest developments in the Group. All of 3U HOLDING AG's press releases and ad hoc disclosures are published in German and English under Investor Relations/IR News and Press.

The company's Articles of Association, its consolidated financial statements, interim reports and information on the implementation of the recommendations and suggestions of the German Corporate Governance Code can also be viewed there. All interested parties can also visit the website to sign up to an IR mailing list, which keeps them constantly informed about the latest news from the Group.

## Corporate Governance Statement

The 3U HOLDING AG Management Board's current corporate governance statement in accordance with Section 289 f HGB is publicly available to view at any time on 3U HOLDING AG's website ([www.3u.net](http://www.3u.net)) under "Investor Relations/Corporate Governance/Corporate Governance Statement". The statement explains the relevant corporate governance practices that are applied beyond legal requirements. In addition, it describes the operating principles of the Management Board and Supervisory Board and the composition of the Management Board and Supervisory Board.

## Remuneration Report

The remuneration report in the Group management report, which is both part of the Group management report and part of the corporate governance statement, contains remarks on the remuneration of the Management Board and the Supervisory Board. Since 2018, the Management Board's remuneration has also included share options as a long-term incentive instrument. Further information on the 2018 stock option plan can be found in the Group management report, in particular the remuneration report contained therein, and in the notes to the consolidated financial statements.

## Notifiable securities transactions and Management Board and Supervisory Board's shareholdings

In accordance with Article 19 of the EU Market Abuse Regulation, members of the Management Board and the Supervisory Board and persons closely associated with them are obliged to disclose notifiable transactions in shares of 3U HOLDING AG or related financial instruments if the total value of the transactions reaches or exceeds EUR 5,000 within a calendar year. In the 2018 financial year, the company was notified of the following transactions:

Transaction Date	Reporting Person	Type of Transaction	Quantity	Exercise price (EUR)	Total volume (EUR)
8 May 2018	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	20,000	1.200 €	24,000.00 €
15 May 2018	Stefan Thies (Supervisory Board)	Purchase	6,330	1.235 €	7,817.55 €
15 May 2018	Stefan Thies (Supervisory Board)	Purchase	3,170	1.240 €	3,930.80 €
15 Aug. 2018	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	4,000	1.250 €	5,000.00€
15 Aug.2018	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	2,241	1.255 €	2,812.46 €
15 Aug 2018	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	6,759	1.260 €	8,516.34 €

As of 31 December 2018, the following Management Board and Supervisory Board members held the following shares in the company's capital:

<b>Name</b>	<b>Position</b>	<b>No. of shares</b>	<b>Percent of voting rights</b>
Michael Schmidt	Speaker of the Management Board	8,999,995	25.49%
Andreas Odenbreit	Member of the Management Board	20,500	0.06 %
Ralf Thoenes	Chairman of the Supervisory Board	25,000	0.07 %
Stefan Thies	Member of the Supervisory Board	33,083	0.09 %
Jürgen Beck-Bazlen	Member of the Supervisory Board	1,548,000	4.38 %