

# Corporate Governance at CANCOM and Declaration on Corporate Governance in accordance with Sections 315d and 289f of the German Commercial Code (HGB)

The Executive Board and Supervisory Board of CANCOM SE hereby issue a corporate governance statement for the CANCOM Group and the parent company CANCOM SE in accordance with Sections 315d and 289f of the German Commercial Code (HGB), and at the same time report on corporate governance at CANCOM in accordance with Principle 22 of the German Corporate Governance Code (GCGC) in its current version of 16 December 2019.

## Corporate Governance

Sustainable and responsible corporate governance is a high priority at CANCOM as part of its corporate culture. The Executive Board and Supervisory Board of CANCOM SE work closely together in the interests of the company and the CANCOM Group as a whole. The intensive and continuous dialogue between the two bodies forms the basis for efficient corporate and Group management at CANCOM.

Good and transparent corporate governance promotes the trust of investors, employees, business partners and the public in the management and supervision of CANCOM SE. This forms the basis for long-term economic success. The guiding principle is the German Corporate Governance Code in its current version. At the Supervisory Board meeting on 7 December 2021, the Supervisory Board and the Executive Board adopted the following joint declaration of conformity by the Executive Board and the Supervisory Board of CANCOM SE in accordance with Section 161 of the German Stock Corporation Act (AktG):

*The Executive Board and Supervisory Board of CANCOM SE declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that since the last declaration of conformity was issued on 9 December 2020, all recommendations of the Government Commission on the German Corporate Governance Code as amended on 16 December 2019, published in the Federal Gazette on 20 March 2020, have been complied with without exception and will be complied with in future.*

Like corresponding declarations in previous years, it is permanently available to the public on the CANCOM website [www.cancom.com](http://www.cancom.com) in the Investors section under the menu item Corporate Governance.

## Principles and guidelines of entrepreneurial action (corporate governance practices)

CANCOM is aware of its role in society and its responsibility towards customers, business partners, shareholders and employees. With its principles, the CANCOM Code of Conduct forms the basis for responsible and legally compliant action. Under the motto "Fair, With Respect, Compliant", the Code of Conduct reflects the Executive Board's goal of strengthening ethical standards throughout the company and creating a working environment based on integrity, respect and fair conduct. The Code of Conduct thus forms the basis for CANCOM's corporate actions and applies throughout the CANCOM Group. CANCOM has its own Group-wide compliance system to

ensure that its employees and executive bodies adhere to the Code of Conduct. The Code of Conduct is publicly available on the Company's website [www.cancom.com](http://www.cancom.com) in the Investors section under the menu item Corporate Governance.

In addition, the actions of the Supervisory Board and Executive Board, as well as those of all employees, are guided by the company's own corporate governance guidelines that apply to the entire CANCOM Group, namely the guidelines for human rights, anti-harassment, political dialogue and representation of interests, diversity and inclusion, and anti-corruption. Furthermore, suppliers are also included in the corporate governance process at CANCOM by means of a declaration of commitment, among other things. The above-mentioned guidelines and declarations are publicly available on the Company's website [www.cancom.com](http://www.cancom.com) in the Investors section under the menu item Corporate Governance.

### **Close cooperation between the Executive Board and the Supervisory Board**

The work of the Executive Board and Supervisory Board are based on the relevant laws, the German Corporate Governance Code, the Articles of Association and the resolutions of the Annual General Meeting of CANCOM SE, the rules of procedure for the Supervisory Board and the rules of procedure and schedule of responsibilities for the Executive Board. The Articles of Association and the rules of procedure for the Executive Board and Supervisory Board are publicly available on the Company's website [www.cancom.com](http://www.cancom.com) in the Investors section under Corporate Governance. Documents relating to the Annual General Meeting are publicly available on the company's website [www.cancom.com](http://www.cancom.com) in the Investors section under the menu item Annual General Meeting.

The Executive Board manages the company with the goal of sustainable value creation. In doing so, the members bear joint responsibility for the entire management of the company. The members of the Executive Board work together as colleagues, exchange information and keep each other constantly informed about important measures and processes in their business areas. The principles of cooperation between the Executive Board of CANCOM SE are summarised in the rules of procedure for the Executive Board. These govern in particular the matters reserved for the Executive Board as a whole, the rules of representation applicable to the Executive Board, the rights and duties of the Chairman of the Executive Board, the provisions for convening and holding meetings, the passing of resolutions and the majorities required for resolutions, and the type of transactions that are subject to the approval of the Supervisory Board. In addition, the rules of procedure for the Executive Board regulate reporting to the Supervisory Board. At the time of issuing this statement, the Executive Board of CANCOM SE consists of three members.

The Executive Board informs the Supervisory Board regularly, promptly and comprehensively about all material aspects of the CANCOM Group's business development, significant business transactions, planning and the risk situation, risk management and compliance. The Executive Board and Supervisory Board discuss the strategic direction of the Company and the status of strategy implementation at regular intervals.

The supervisory board advises the executive board on the management of the company and monitors its activities. It appoints and dismisses the members of the Executive Board and, together with the Executive Board, must ensure a long-term succession. The Supervisory Board also decides on the remuneration system for the Executive Board members and sets their respective remuneration. In accordance with the Articles of Association, CANCOM's Supervisory Board consists of six members. The principles of cooperation between the Supervisory Board of CANCOM SE are laid down in the rules of procedure for the Supervisory Board. Among other things, these rules govern the election of the chairman and deputy chairman, the convening of meetings and their procedures, the permitted types of resolution, and the documentation of meetings and resolutions. In addition, the rules of procedure for the Supervisory Board provide for the formation of committees and regulate their working methods. CANCOM currently has two committees: the Audit Committee and the Nomination Committee. The Audit Committee, which consists of the Deputy Chairman of the Supervisory Board, Dr Lothar Koniarski

(Committee Chairman), the Chairman of the Supervisory Board, Mr Stefan Kober (Deputy Committee Chairman), and the Supervisory Board member Prof. Dr. Isabell Welpé, deals with the audit of the Company's financial statements. Isabell Welpé, deals with the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, the audit of the financial statements, in particular the independence of the auditor, the additional services provided by the auditor, the issuing of the audit mandate to the auditor, the determination of auditing focal points and the fee agreement as well as compliance. Furthermore, the audit committee's extended scope of duties includes the implementation of the regulations of the Audit Reform Act (EU-VO). The Nomination Committee consists of the Chairman of the Supervisory Board, Mr Stefan Kober (Committee Chairman), the Deputy Chairman of the Supervisory Board, Dr Lothar Koniarski (Deputy Committee Chairman), and the Supervisory Board member, Ms Regina Weinmann. The Nomination Committee meets as required and proposes suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting. The respective committee chairs report regularly to the Supervisory Board on the work of the committees. The work of the supervisory board and its committees can be found in the current report of the supervisory board in the annual report 2021.

Cooperation between the Executive Board and the Supervisory Board also includes the issue of long-term succession planning. The Supervisory Board is in regular contact with members of the CANCOM Group's senior management in order to assess the internal potential for appointments to the Executive Board on an ongoing basis and to be able to develop existing potential. This ongoing dialogue with senior management and the discussion of long-term succession planning within the Supervisory Board - both in the presence of the Executive Board and in meetings without Executive Board participation - ensures long-term succession planning for the Executive Board of CANCOM SE. In addition, succession planning is ensured, among other things, by the fact that the Executive Board service contracts stipulate that a decision on extension or termination must be made at least nine months before a service contract expires. Due to the existing age structure on the Executive Board and the remaining terms of the service contracts, specific short-term succession planning is not necessary.

An age limit of 65 years is set for the members of the Executive Board.

### **Competence profile of the Supervisory Board**

In accordance with section C.1 of the GCGC, the supervisory board has specified concrete objectives regarding its composition and has developed a competence profile for the entire board. For its composition, it shall take appropriate account of the international activities of the company, potential conflicts of interest, the number of independent supervisory board members, an age limit to be specified for supervisory board members and a regular limit to be specified for the length of membership of the supervisory board, as well as diversity, within the framework of the company-specific situation. In accordance with the stipulation of the age limit for Supervisory Board members, only candidates who are not older than 70 at the time of election shall be proposed for election to the Supervisory Board of CANCOM SE.

In the view of the supervisory board, the criteria set out in the competence profile are fulfilled with the composition of the incumbent supervisory board.

The Supervisory Board of CANCOM SE consists of six members, all of whom are shareholders. All members, namely Stefan Kober, Dr Lothar Koniarski, Regina Weinmann, Prof. Dr Isabell Welpé, Uwe Kemm and Martin Wild are independent members of the Supervisory Board within the meaning of section C.7 of the GCGC. By way of explanation, Ms Weinmann continues to be considered independent of the Company and the Executive Board within the meaning of the GCGC. She has no personal or business relationship with the Company or its Executive Board that could constitute a material and not merely temporary conflict of interest. The mere fact that Ms Weinmann's terms of office exceed the period of 12 years does not lead to a different assessment, especially since, in the opinion of the Supervisory Board, no conclusion can be drawn as to the independence of the respective

member from the duration of membership on the Supervisory Board. From the Supervisory Board's point of view, it should be noted in particular that Ms Weinmann does not hold any mandates or activities with companies outside the CANCOM Group which have a significant business relationship with companies in the CANCOM Group. Nor does Ms Weinmann hold a significant stake in any company to which this would apply. Since Ms Weinmann is also involved in a wide range of business activities outside the CANCOM Group, the Supervisory Board does not see any risk of financial dependence with regard to her activities on the Supervisory Board of CANCOM SE. From the Supervisory Board's point of view, there have been no indications of a lack of independence on the part of Ms Weinmann in her work on the Supervisory Board. On the contrary, Ms Weinmann regularly plays an active role and critically scrutinises upcoming decisions.

The Supervisory Board is committed to performing its duties with the greatest possible care. Therefore, an efficiency review of its activities takes place once a year, as was the case in the 2021 business year, which led to the conclusion that the Supervisory Board works efficiently. This self-assessment takes place in the form of a standardised questionnaire.

### **Targets for the proportion of women**

In accordance with the Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector, the Supervisory Board set a target for the proportion of women on the Executive Board and the Supervisory Board for the first time on 18 September 2015, with a deadline for achievement of 30 June 2017. On 20 June 2017, the Supervisory Board set a target for the proportion of women on the Executive Board and the Supervisory Board with a deadline for achievement of 30 June 2022.

The Supervisory Board respects the objectives pursued with the introduction of a women's quota and attaches importance to equal treatment and equal opportunities for men and women. The filling of Executive Board and Supervisory Board positions should be oriented towards the good of the company. The Supervisory Board is of the opinion that this can be achieved primarily if particular emphasis is placed on the competence and qualifications of the individuals. Since the Executive Board of CANCOM SE consisted of only two persons at the time the currently valid quotas were set, only a quota of 0, 50 or 100 percent was practically feasible. In order to prevent a decision being forced on the basis of the predominant gender aspect in the event of a new position being filled, the Supervisory Board set the proportion of women on the Executive Board at zero per cent. Given the target of zero per cent, this was achieved in the reporting year. For the proportion of women on the Supervisory Board, the Supervisory Board set a target of 16.67 percent. This target was also met in the reporting year 2021.

Furthermore, on 30 September 2015 the Executive Board of CANCOM SE set a target of 25 percent for the proportion of women in the first management level below the Executive Board and a target of 30 percent for the proportion of women in the second management level below the Executive Board, both by 30 June 2017, which are intended to give the Company the necessary flexibility in filling management positions. On 30 June 2017, the Executive Board set a target for the proportion of women in the first and second management levels below the Executive Board, each by 30 June 2022. The proportion of women in the first and second management levels below the Executive Board is to be maintained at 25 per cent in the first level and 30 per cent in the second in each case. The stated targets for the proportion of women were achieved at the first and second management levels.

## Description of the diversity concept

In selecting suitable candidates for the Board, the Supervisory Board is also guided by the diversity concept for the Supervisory Board and the Executive Board with reference to section 289f (2) no. 6 of the German Commercial Code (HGB), in addition to the described target figure for the proportion of women, the targets set by the Supervisory Board for the composition of the Board and the competence profile. The diversity concept is intended to promote the diversity of different perspectives, life experiences and biographies on the Supervisory Board and the Executive Board. It is also in line with the CANCOM Code of Conduct, which is binding for the entire CANCOM Group and does not tolerate any discrimination based on age, disabilities, origin, gender, political stance, religion, ideology or sexual orientation.

The aim of the diversity concept for the Supervisory Board is to ensure that qualified supervision of the Executive Board and its advisory support are guaranteed at all times. To this end, the Supervisory Board strives for a diverse composition of the Supervisory Board body when making new appointments and appointments to the Supervisory Board, while ensuring professional suitability. To this end, the targets set by the supervisory board for its composition in accordance with recommendation C.1 of the German Corporate Governance Code as well as the target for the proportion of women on the supervisory board set in accordance with section 111 (5) of the German Stock Corporation Act (AktG) also describe the concept with which the supervisory board as a whole strives for a diverse composition (diversity concept in relation to section 289f (2) no. 6 of the German Commercial Code (HGB)).

For the Executive Board, the diversity concept specifically aims to achieve the most suitable and promising composition of the entire Executive Board. When appointing Executive Board members, competence, qualification and suitability are the decisive criteria for the appointment. In the case of equally qualified candidates, the criterion of diversity is given special consideration.

The composition of the Board in the reporting year 2021 was in line with the objectives pursued for the composition of the Board and thus also with the diversity concept. The diversity in the composition of the Executive Board in the reporting year 2021 is reflected in particular in the different professional backgrounds, areas of activity and individual horizons of experience. When assessing the current diversity on the Executive Board, it should be noted that the Executive Board of CANCOM SE consisted of only three members at the end of the reporting year 2021 and remains unchanged at the time of this declaration.

Munich, 24 March 2022

CANCOM SE



For the Executive Board  
Rudolf Hotter



For the Supervisory Board  
Stefan Kober

This is a translation of CANCOM SE's Declaration on Corporate Governance. Only the German version of the declaration legally binding. Every effort was made to ensure the accuracy of the translation, however, no warranty is made as to the accuracy of the translation and the company assumes no liability with respect thereto. The company cannot be held responsible for any misunderstandings or misinterpretation arising from this translation.