

# Report of the Supervisory Board

## DR. HANS-JOACHIM KÖNIG CHAIRMAN OF THE SUPERVISORY BOARD

The Supervisory Board was informed promptly in written and oral reports at regular intervals by the Executive Board about the respectively current development of business, the risk situation and especially about important events in the company and the NEXUS Group in the fiscal year 2019. The Supervisory Board has fulfilled its checking and monitoring obligations. The transactions submitted to the Supervisory Board for approval on the basis of the legal and statutory rules and the Supervisory Board's rules of procedure were reviewed, discussed with the Executive Board and passed for resolution. In addition, the Chairman of the Supervisory Board as well as his deputy were informed about the earnings situation, the course of business and current topics at regular intervals.

### Executive Board and Supervisory Board

In the fiscal year 2019, Prof. Dr. Felicia Rosenthal, Dr. Hans-Joachim König (Chairman), Prof. Dr. Ulrich Krystek (Deputy Chairman), Wolfgang Dörflinger, Gerald Glasauer and Prof. Dr. Alexander Pocsay were members of the Supervisory Board until the end of the annual general meeting on 03 May 2019. The term of office of the entire Supervisory Board ended at the end of the Annual General Meeting on 03 May 2019.

Mr. Wolfgang Dörflinger and Mr. Gerald Glasauer were not available for re-election.

In accordance with the proposal of the Nominations Committee, the previous Supervisory Board members Dr. Hans-Joachim König, Attorney at Law, Prof. Dr. Ulrich Krystek, University Professor, Prof. Dr. Alexander Pocsay, Management Consultant, and Prof. Dr. Felicia Rosenthal, Managing Director, were re-elected members of the Supervisory Board at the annual general meeting on 03 May 2019. In addition, Dr. Dietmar Kubis,

Attorney at Law, and Mr. Jürgen Rottler, Founder and President, were newly elected as members of the Supervisory Board of NEXUS AG.

There was no change in the Executive Board in the 2019 financial year.

### Supervisory Board Meetings

The Supervisory Board had four regular meetings in the fiscal year 2019 on 26 February 2019, 03 May 2019, 19 September 2019 and 18 December 2019. In addition, Supervisory Board meetings were held within the framework of telephone conferences on 04 March 2019 and 04 June 2019 and Supervisory Board resolutions were passed. No member of the Supervisory Board was absent from half or more of the Supervisory Board meetings. Participation is documented in the table below (cf. table).

The Supervisory Board meeting on 26 February 2019 dealt with the audit of the annual financial statements and consolidated financial statements of NEXUS AG for the 2018 fiscal year as well as the adoption of the annual financial statements and the approval of the consolidated financial statements. This Supervisory Board meeting also dealt with the examination and adoption of resolutions on the other mandatory publications to be specified in the Management Commentary. In addition, the agenda items for the Annual General Meeting and the proposed resolutions on the agenda items for the Annual General Meeting were discussed and adopted. In particular, a profit appropriation proposal was submitted to the Annual General Meeting in agreement with the Executive Board. In addition, the election of the auditor and the members of the Supervisory Board specified above were proposed to the Annual General Meeting.

At the constituent meeting of the Supervisory Board, which took place

## SUPERVISORY BOARD MEETINGS IN 2019

	26/02/2019	04/03/2019	03/05/2019	04/06/2019	19/09/2019	18/12/2019
		telephone meeting		telephone meeting		
<b>Dr. Hans-Joachim König</b>	X	X	X	X	X	X
<b>Prof. Dr. Ulrich Krystek</b>	X	X	X	X	X	X
<b>Wolfgang Dörflinger **</b>	X	X				
<b>Gerald Glasauer **</b>	e	X				
<b>Prof. Dr. rer. oec Alexander Pocsay</b>	e	X	X	X	X	X
<b>Prof. Dr. med. Felicia M. Rosenthal</b>	e	e	X	X	X	X
<b>Juergen Rottler *</b>			X	X	X	X
<b>Dr. Dietmar Kubis *</b>			X	X	X	X

\* new member of the Supervisory Board, starting from 03 May 2019

\*\* quit at 03 May 2019

e excused



From left to right:

Dr. Dietmar Kubis, Jürgen Rottler, Prof. Dr. Alexander Pocsay, Dr. Hans-Joachim König, Prof. Dr. med. Felicia Rosenthal, Prof. Dr. Ulrich Krystek

after the new election of the Supervisory Board on 03 May 2019, Dr. Hans-Joachim König was elected the Chairman of the Supervisory Board and Prof. Dr. Ulrich Krystek was elected the Deputy Chairman of the Supervisory Board. In addition, the members of the Audit Committee and the Human Resources Committee were elected at this meeting.

In the subsequent meetings of the Supervisory Board, the Executive Board reported to the Supervisory Board in detail on the business situation, and the Supervisory Board discussed this in detail. Several decisions were taken regarding the acquisition of companies or shares. The Executive Board informed the Supervisory Board in detail about the Compliance Management System of NEXUS AG and its subsidiaries, explaining current developments for its further rollout.

At its meeting of 18 December 2019, the Supervisory Board assessed the efficiency of its activities (efficiency audit in accordance with Section 5.6 of the German Corporate Governance Codex).

### German Corporate Governance Codex

At its meeting on 18 December 2019, the Supervisory Board dealt in detail with general compliance issues. In particular, the declaration of compliance, new rules of procedure of the Supervisory Board, general corporate governance regulations of the Supervisory Board, Code of Business Conduct and the separate non-financial consolidated report were submitted for adopting resolutions.

The Supervisory Board passed a resolution about the compliance declaration of the Supervisory Board and Executive Board pursuant to Section 161 of the German Stock Corporation Act (AktG). The compliance declaration is available on the internet at [en.nexus-ag.de](http://en.nexus-ag.de) – Company – Investor Relations – Corporate Governance. In addition, the Supervisory Board dealt intensively with the Declaration on Corporate Governance (section 289a of the German Commercial Code (HGB)).

### Committees

The Auditing Committee created by the Supervisory Board met once in the business year 2019. The Human Resources Committee did not hold its own meeting. In addition to the cited committees, the Supervisory Board did not have any other committees in the business year 2019. The Supervisory Board constituted itself as a nomination committee and proposed the candidates for election to the Supervisory Board at the Supervisory Board meeting on 26 February 2019.

### Auditing of Annual Financial Statements

The Annual Financial Statement drawn up by the Executive Board of NEXUS AG, the Management Commentary, the Group Financial Statement and Group Report for the business year 2019 were audited with inclusion of the accounting of Ebner Stolz GmbH & Co. KG Wirtschaftsprüfergesellschaft Steuerberatungsgesellschaft, Stuttgart. Ebner Stolz GmbH & Co. KG Wirtschaftsprüfergesellschaft Steuerberatungsgesellschaft, Stuttgart, was appointed auditor of NEXUS AG as well as of the NEXUS Group for the fiscal year 2019 at the annual general meeting on 03 May 2019 and consequently appointed to conduct this audit. The auditors did not raise any objections and confirmed this in an unrestricted audit certificate. The Annual Financial Statement documents and the auditing report were submitted to the Supervisory Board on time; it checked them thoroughly and discussed them in detail in the meeting of the Auditing Committee and the Supervisory Board each on 09 March 2020. The auditor also participated in the Audit Committee meeting and the Supervisory Board meeting on 09 March 2020. The latter reported on the essential results of the audit and was available for further explanations. The auditor confirmed to the Supervisory Board the effectiveness of the supervisory system within the meaning of Section 91 (2) of the German Stock Corporation Act (AktG). In addition, the auditors assured that they did not provide any significant services for the company in the reporting year beyond the audit and that there are no circumstances that could impair their independence. Based on the check of the Audit Committee and its own audit, the Supervisory Board approved the result of the check of the audit with its resolution of 09 March 2020. No objections were raised following the final result of the check of the audit committee and by the Supervisory Board. The Supervisory Board assessed and approved the Annual Financial Statement and the Management Commentary drawn up by the Executive Board, the Group Financial Statement and Group Report as of 09 March 2020.

The Supervisory Board would like to thank the staff and the Executive Board of the company for their work and their high degree of personal dedication to NEXUS AG and all associated companies. The Supervisory Board would also like to express its congratulations for another successful business year.

Donaueschingen, 09 March 2020

Dr. Hans-Joachim König  
Chairman of the supervisory board