

# FORM FOR REPORTING ON THE RECOMMENDATIONS ON CORPORATE GOVERNANCE 2018

## Introduction/conclusion:

In the below table SimCorp has provided its view upon how SimCorp meets the November 2017 Recommendations made by the Danish Committee on Corporate Governance.

The reader should note that SimCorp's reasons for compliance/non-compliance are mainly text sections copied directly from SimCorp's Corporate Governance Guidelines. To the extent that the reasons for compliance/non-compliance cannot be derived directly from SimCorp's Corporate Governance Guidelines, the reasons are stated in *italics*.

## Report regarding 1 January 2018-31 December 2018

Recommendation	The company complies	The company does not comply	The company complies/does not comply with the recommendation due to the following reason:
<b>1. The role of the shareholders and their interaction with the management of the company</b>			
<i>1.1. Dialogue between the company and its shareholders</i>			
1.1.1. The Committee <b>recommends</b> that the board of directors ensure ongoing dialogue between the company and its shareholders so that the shareholders gain relevant insight into the company and in order for the board of directors to be aware of the shareholders' views, interests and opinions in relation to the company.	X		<p><b>2.1. Shareholders</b>                      The company's management must maintain an ongoing dialogue with the company's shareholders. All shareholders must be given equal access to information and equal opportunities to express their views on e.g. the company's activities and its strategic and commercial development. The company must from time to time evaluate how the communication between the company and its shareholders can be improved. Article 21 of the articles of association allows SimCorp to apply increased means of electronic communication between SimCorp and its shareholders.                      The company's management is responsible for carrying on this dialogue at the company's general meetings and at other meetings with shareholders, such as those in connection with the publication of the company's interim financial reports.</p> <p><b>9.1. Communication Policy</b>                      The Board of Directors shall ensure that SimCorp has an information and communication policy that ensures that the company's stakeholders receive relevant, timely, accurate</p>

			<p>and full information on the company's activities to the extent such disclosure would not be detrimental to the company's current or future competitive position.</p> <p>As part of the Company's communication policy, the Board of Directors shall ensure that an Investor Relations Policy is drafted to ensure that all material information of importance for the shareholders' and the equity market's evaluation of the company, its activities and business targets, strategies and results are published without undue delay. Publication shall take place in a reliable and adequate manner through channels that ensure equal access to such information for everybody. The Investor Relations Policy shall provide for the dialogue with the equity market being conducted on a professional basis in accordance with legislation and stock exchange codes of ethics, and so that it promotes the company's reputation as an open and trustworthy organization, A member of the Board of Directors may not without the permission of the chairman make any statement to the media or approach the public concerning the company's affairs. To ensure openness and transparency the Board of Directors shall lay down an information and communications policy for the company that establishes the exact guidelines for communication with the employees, shareholders and the public regarding the company's affairs.</p> <p><i>It is standard practice in SimCorp that all information is provided in English and a summary of the Annual Report is provided in the Danish language.</i></p>
1.1.2. The Committee <b>recommends</b> that the board of directors adopt policies on the company's relationship with its stakeholders, including shareholders and that the board of directors ensure that the interests of the shareholders are respected in accordance with company policies.	X		<p><b>2. SimCorp's relationship with its stakeholders</b></p> <p>A fundamental element of SimCorp's objective of long-term value creation is to secure a good, constructive, and durable relationship with all the company's stakeholders: shareholders, the equity market, clients, employees, suppliers, and the community. SimCorp's relationship with its stakeholders is based on the company's mission, corporate vision, and basic values as defined by the Board of Directors.</p> <p><b>2.2. The equity market</b></p> <p>The Board of Directors shall be responsible for preparing and making SimCorp's Investor Relations Policy available to the public cf. Section 9.1. SimCorp's Investor Relations Policy can be found at <a href="https://www.simcorp.com/en/investor/corporate-governance">https://www.simcorp.com/en/investor/corporate-governance</a></p>
1.1.3. The Committee <b>recommends</b> that the company publish quarterly reports.	X		<i>SimCorp publishes quarterly reports.</i>
<b>1.2. General Meeting</b>			
1.2.1. The Committee <b>recommends</b> that in organizing the company's general meeting, the board of directors plan the meeting to support active ownership.	X		<p><b>3. The General Meeting</b></p> <p>SimCorp generally encourages its shareholders to use their influence as shareholders by</p> <ul style="list-style-type: none"> <li>• registering as shareholders in SimCorp's register of shareholders,</li> </ul>

			<ul style="list-style-type: none"> <li>attending the annual general meeting by requesting admission card and ballot paper or submitting the proxy voting form either online via <a href="http://www.simcorp.com">www.simcorp.com</a> or by post or authorize the Board of Directors to vote on the shareholders' behalf.</li> </ul> <p><b>3. The general meeting</b> The Board of Directors shall ensure that SimCorp regularly monitors and considers implementing best practice among Danish and foreign listed companies with regard to organizing and conducting general meetings of shareholders.</p>
1.2.2 The Committee <b>recommends</b> that proxies or votes by post for the general meeting allow shareholders to consider each individual item on the agenda.	X		<i>This is standard practice in SimCorp. Shareholders are provided proxies together with the notice of the general meeting which allows shareholders to consider each individual item on the agenda.</i>
<b>1.3. Takeover bids</b>			
1.3.1 The Committee <b>recommends</b> that the company set up contingency procedures in the event of takeover bids, from the time that the board of directors has reason to believe that a takeover bid will be made. The contingency procedures should establish that the board of directors should not without the acceptance of the general meeting, attempt to counter the takeover bid by making decisions which, in reality, prevent the shareholders from deciding on the takeover bid themselves.	X		<p><b>4.1. The Overall Tasks and Responsibilities of the Board of Directors</b> The Board of Directors must make an objective assessment of any third party bid to take over the company and ensure that the shareholders are given the opportunity to make an independent decision based on the Board's recommendation.</p> <p>Furthermore, the Board of Directors must assess and, if appropriate, decide whether it is in the interests of SimCorp that the company should, on its own initiative, open negotiations for the transfer of parts of or all of the company to a third party.</p> <p>The board of directors has adopted a takeover manual which is updated on an annual basis.</p>
<b>2. Tasks and responsibilities of the board of directors</b>			
<b>2.1. The overall tasks and responsibilities</b>			
2.1.1 The Committee <b>recommends</b> that at least once annually the board of directors consider the matters that should	X		<p><b>4.1. The Overall Tasks and Responsibilities of the Board of Directors</b> The Board of Directors is responsible for the company's overall management and for the development of the long-term strategy of the company and for ensuring that the company remains organized in an adequate and sound manner with a view to inter alia</p>

<p>be included in the board's performance of its work.</p>			<p>ensuring the long-term value creation to the benefit of the company and its shareholders. The most important tasks of the Board of Directors are to</p> <ul style="list-style-type: none"> <li>• Ensure that the company's Executive Management Board operates the business in accordance with the instructions of the Board of Directors.</li> <li>• On a regular basis and at least once annually assess whether the company's capital structure and resources are appropriate and whether the company has sufficient liquidity to be able to reach its strategic goals and to fulfill its current and future obligations when falling due as well as to ensure the company's long-term value creation.</li> <li>• Through the Audit Committee ensure that the book-keeping and accounting process of SimCorp are carried out in a satisfactory manner</li> <li>• Ensure that the company has adopted adequate and effective internal control and risk management systems.</li> <li>• Review the Corporate Governance Guidelines (including the rules of procedure for the Board of Directors for SimCorp at least once a year.</li> </ul> <p><b>Rules of Procedure of the Board of Directors</b></p> <p><b>3. Board Meetings</b></p> <p>Each year in December the following year's meeting calendar shall be scheduled.</p> <p>The Board of Directors shall meet when the chairman considers it necessary, and when it is requested by a member of the Board of Directors or by a member of the Executive Management Board.</p> <p>The chairman shall ensure that all members are summoned to the meetings. Notice of the board meetings, including the agenda, shall as far as possible be given with at least eight days' notice through letter, fax, e-mail, or another suitable means of communication, to all members of the Board.</p>
<p>2.1.2 The Committee <b>recommends</b> that at least once annually, the board of directors consider the overall strategy of the company with a view to ensuring value creation in the company.</p>	<p>X</p>		<p><b>4.1. The Overall Tasks and Responsibilities of the Board of Directors</b></p> <p>The Board of Directors is responsible for the company's overall management and for the development of the long-term strategy of the company and for ensuring that the company remains organized in an adequate and sound manner. The most important tasks of the Board of Directors are to</p> <ul style="list-style-type: none"> <li>• Once a year review SimCorp's mission, corporate vision, and basic values.</li> </ul>

			<ul style="list-style-type: none"> <li>Define the company's overall objectives, targets, and strategies. Once a year the Board shall follow up on and decide on new overall objectives, targets, and strategies for the future development of the company.</li> </ul>
2.1.3 The Committee <b>recommends</b> that the board of directors ensure that the company has a capital and share structure which supports that the strategy and long-term value creation of the company are in the best interests of the shareholders and the company, and that the board of directors explain this in the management commentary and/or on the company's website.	X		<p><b>4.1. The Overall Tasks and Responsibilities of the Board of Directors</b></p> <p>The Board of Directors is responsible for the company's overall management and for the development of the long-term strategy of the company and for ensuring that the company remains organized in an adequate and sound manner with a view to inter alia ensuring the long-term value creation to the benefit of the company and its shareholders. The most important tasks of the Board of Directors are to</p> <ul style="list-style-type: none"> <li>On a regular basis and at least once annually assess whether the company's capital structure and resources are appropriate and whether the company has sufficient liquidity to be able to reach its strategic goals and to fulfil its current and future obligations when falling due, as well as ensure the company's long-term value creation.</li> </ul>
2.1.4 The Committee <b>recommends</b> that the board of directors annually review and approve guidelines for the executive board; this includes establishing requirements for the executive board's reporting to the board of directors.	X		<p><b>6.2. Tasks and responsibilities of the Executive Management Board</b></p> <p>A description of the Executive Management Board's tasks and responsibilities shall be made. The description shall among other things lay down procedures for the Executive Management Board's reporting to the Board of Directors, for the communication between the two boards, and for the evaluation of the Executive Management Board's work.</p> <p>The Board of Directors must ensure that it regularly receives such information on the company's activities as the Board of Directors requires. The Executive Management Board shall, however, ensure that material information is submitted to the Board of Directors, whether or not the Board of Directors has requested such information.</p>
2.1.5 The Committee <b>recommends</b> that at least once annually, the board of directors discuss the composition, developments, risks and succession plans of the executive board.	X		<p><b>Appendix 1: Rules of Procedure of the Board of Directors</b></p> <p><b>1. Duties of the Board of Directors</b></p> <ul style="list-style-type: none"> <li>At least once a year discuss the composition, as well as development, risks and succession plans.</li> </ul>
<i>2.2 Corporate Social Responsibility</i>			
2.2.1. The Committee <b>recommends</b> that the board of directors adopt policies on corporate social responsibility.	X		<b>2.7. Corporate Social Responsibility</b>

			<p>Corporate Social Responsibility (CSR) in SimCorp is firmly based on the Group's core values and these Corporate Governance Guidelines as adopted by the Board of Directors.</p> <p>Our commitment to sustainable development of SimCorp is based on combining financial performance with socially responsible behavior and environmental awareness. Overall, SimCorp aims at maintaining and enhancing our professional relations with internal and external stakeholders based on mutual respect. We abide by the law in all our doings, locally as well as internationally, and in the conduct of business we will maintain a high ethical standard and always perform our activities with integrity and responsibility.</p> <p>SimCorp is greatly committed to proper and diligent conduct in respect of the services and products we provide to our clients, and we commit ourselves to long-term and mutually value adding relationships with all our clients with respect for each individual client's business and social environment. We expect all our existing and potential clients to share our standards for sound and responsible behavior and trust them to operate in a legal and ethical manner.</p> <p>We respect the individuality and diversity of all our employees and offer each equal opportunity for learning and growing in accordance with their individual needs and capabilities as well as the company's situation. Our communication policy ensures all our shareholders equal, adequate and timely access to information on our business. We pursue an open dialogue with all investors and analysts about the company's activities and financial performance. We aim to reduce our environmental impact and act with sustained reliability and respect for our surroundings.</p> <p>The full wording of SimCorp's Corporate Social Responsibility principles is found in the document "Corporate Social Responsibility in SimCorp" published on the company's website under <a href="https://www.simcorp.com/en/investor/corporate-governance">https://www.simcorp.com/en/investor/corporate-governance</a>.</p>
<p><b>2.3 Chairman and vice-chairman of the board of directors</b></p>			
<p>2.3.1 The Committee <b>recommends</b> appointing a vice chairman of the board of directors, who will assume the responsibilities of the chairman in the event of the chairman's absence, and who will also act as effective sparring partner for the chairman.</p>	<p>X</p>		<p><i>According to clause 15 of the Articles of Association the Deputy Chairman is elected directly at the General Meeting.</i></p> <p><b>Rules of Procedures for the Board of Directors</b></p> <p><b>2. Tasks and Responsibilities of the Chairman and the Deputy Chairman</b></p> <p>In the chairman's absence, the deputy chairman shall act in the place of the chairman.</p>

<p>2.3.2 The Committee <b>recommends</b> that, if the board of directors, in exceptional cases, asks the chairman of the board of directors or other board members to perform special activities for the company, including briefly participating in the day-to-day management, a board resolution to that effect should be passed to ensure that the board of directors maintains its independent, general management and control function. Resolutions on the chairman's or other board members' participation in the day-to-day management and the expected duration hereof should be publicly announced.</p>	<p>X</p>		<p><b>Rules of Procedures for the Board of Directors</b>  <b>2. Tasks and Responsibilities of the Chairman and the Deputy Chairman</b></p> <p>Neither the Chairman nor the Vice-chairman, or any other member of the Board of Directors, may carry out for the company such assignments which are not usually part of his function, apart from such specific assignments as he is requested to accept by and on behalf of the Board of Directors. Delegation of specific assignments shall be published on the company's website.</p>
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### 3. Composition and organization of the board of directors

#### 3.1 Composition

<p>3.1.1. The Committee <b>recommends</b> that the board of directors annually evaluate and in the management commentary, account for</p> <ul style="list-style-type: none"> <li>• the competencies that it must have to best perform its tasks,</li> <li>• the composition of the board of directors, and</li> <li>• the special competencies of each member.</li> </ul>	<p>X</p>		<p><b>4.4. The Qualifications of the Board of Directors</b></p> <p>When nominating candidates for election to the Board by the shareholders, the Board of Directors shall, in addition to the general guidelines set out in section 4.2, seek to ensure that the candidates between them represent the required knowledge of the industry, and the required business and financial competencies, to act as an efficient, visionary and result-oriented dialogue partner for the company's Executive Management Board.</p> <p>The competences, experience and knowledge to be possessed by the Board members between them to best perform their tasks are;</p> <ul style="list-style-type: none"> <li>• Knowledge about general management, including competencies within strategy development</li> <li>• Knowledge about sales, marketing and communicating with clients, including distribution concepts within software applications</li> </ul>
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3.1.2 The Committee <b>recommends</b> that the board of directors annually discuss the company's activities to ensure the relevant diversity at management levels and prepare and adopt a policy on diversity. The policy should be published on the company's website.	X	<p><b>Diversity and Inclusion Policy</b></p> <p><b>5. Diversity Report</b></p> <p>SimCorp will assess progress in the gender diversity area once a year and will ensure actual progress by implementing a range of diversity activities specified in our annual Diversity Report</p>
3.1.3 The Committee <b>recommends</b> that the selection and nomination of candidates for the board of directors be carried out through a careful and transparent process approved by the board of directors. When assessing its composition and nominating new candidates, the board of directors should in addition to the need for competencies and qualifications take into consideration the need for integration of new talent and diversity	X	<p><b>4.2. The Composition of the Board of Directors</b></p> <p>At each general meeting the retiring board shall nominate candidates for the vacant offices on the Board so as to ensure that the shareholders are able to elect a continuing board that can act independently of the Executive Management Board and of special interests, and that represent a balance between continuity and innovation.</p>



<p>3.1.4 The Committee <b>recommends</b> that the notice convening a general meeting where the agenda includes the election of members to the board of directors, include (in addition to the statutory requirements) a description of the qualifications of the nominated candidates, including information about the candidates'</p> <ul style="list-style-type: none"> <li>• other executive functions, including positions on executive boards, boards of directors and supervisory boards, including board committees, in Danish and foreign enterprises, and</li> <li>• demanding organizational tasks.</li> </ul> <p>Furthermore, it should be indicated if the candidates to the board of directors are considered independent.</p>	X		<p><b>4.2. The Composition of the Board of Directors</b>  The notice of the general meeting shall include a description of the nominated candidates' qualifications, including information about other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees, held by the candidates in both Danish and foreign companies as well as information on demanding organizational tasks. In addition, it will be stated if the individual candidate is considered independent.</p>
<p>3.1.5 The Committee <b>recommends</b> that the members of the company's executive board be not members of the board of directors and that a resigning chief executive officer be not directly elected as chairman or vice chairman for the same company.</p>	X		<p><b>4.2. The Composition of the Board of Directors</b>  The Board of Directors shall ensure that the nominees meet the following criteria:  The nominees must not:</p> <ul style="list-style-type: none"> <li>• be professional consultants to SimCorp or be employed by or have a financial interest in any company that acts as professional consultants to SimCorp;</li> <li>• have a material strategic interest in the company other than that of a shareholder;</li> <li>• be members of SimCorp's Executive Management Board or have been within the last five years, a member of the Executive Management Board or managerial staff of SimCorp or an associated company;</li> <li>• be, or have been within the last three years, an employee or partner of SimCorp's external audit firm;</li> <li>• hold cross-memberships of governing bodies;</li> <li>• have been a member of the Board of Directors for more than 12 years; or</li> </ul>

			have close family ties with persons that are not regarded as independent persons in SimCorp.
3.1.6 The Committee <b>recommends</b> that members of the board of directors elected by the general meeting be up for election every year at the annual general meeting.	X		<i>Cf. article 17 of the company's articles of association pursuant to which the Company shall be managed by a Board of Directors consisting of from three to six members including a chairman and a vice chairman elected by the shareholders at the General Meeting for terms of one year.</i>
<b>3.2 Independence of the board of directors</b>			
<p>3.2.1 The Committee <b>recommends</b> that at least half of the members of the board of directors elected by the general meeting be independent persons, in order for the board of directors to be able to act independently of special interests.</p> <p>To be considered independent, this person may not:</p> <ul style="list-style-type: none"> <li>• be or within the past five years have been a member of the executive board or senior staff member in the company, a subsidiary or an associated company,</li> <li>• within the last five years, have received significant remuneration from the company/group, a subsidiary or an associated company in a different capacity than as member of the board of directors,</li> <li>• represent or be associated with a controlling shareholder,</li> <li>• within the past year, have had significant business relations (e.g. personally or indirectly as</li> </ul>	X		<p><b>4.2. The Composition of the Board of Directors</b></p> <p>The Board of Directors shall ensure that the nominees meet the following criteria: The nominees must not:</p> <ul style="list-style-type: none"> <li>• be professional consultants to SimCorp or be employed by or have a financial interest in any company that acts as professional consultants to SimCorp;</li> <li>• have a material strategic interest in the company other than that of a shareholder;</li> <li>• be members of SimCorp's Executive Management Board or have been within the last five years, a member of the Executive Management Board or managerial staff of SimCorp or an associated company;</li> <li>• be, or have been within the last three years, an employee or partner of SimCorp's external audit firm;</li> <li>• hold cross-memberships of governing bodies;</li> <li>• have been a member of the Board of Directors for more than 12 years; or</li> <li>• have close family ties with persons that are not regarded as independent persons in SimCorp.</li> </ul> <p><b>4.6 Self-assessment</b></p> <p>Even if a member of the board of directors is not covered by the above criteria, certain conditions may exist that will lead the board of directors to decide that one or more members cannot be regarded as independent.</p>

<p>partner or employee, shareholder, customer, supplier or member of management in companies with corresponding connection) with the company, a subsidiary or an associated company,</p> <ul style="list-style-type: none"> <li>• be or within the past three years have been employed or been a partner in the same company as the auditor elected by the general meeting,</li> <li>• be part of the executive management in a company with cross-management representation in the company,</li> <li>• have been a member of the board of directors for more than 12 years,</li> <li>• or be a close relative of persons who are not considered independent.</li> </ul> <p>Even if a member of the board of directors is not covered by the above criteria, certain conditions may exist that will lead the board of directors to decide that one or more members cannot be regarded as independent.</p>			
<p><b>3.3 Members of the board of directors and the number of other executive functions</b></p>			
<p>3.3.1 The Committee <b>recommends</b> that each member of the board of directors assess the expected time commitment for each function so that the member does not take on more functions than he/she</p>	<p>X</p>		<p><i>Each member of the Board of Directors confirms upon his/her signature to the annual report that such member has done this assessment and that it is able to meet the time commitment given its other executive functions.</i></p>

can complete at satisfactory level for the company.			
<p>3.3.2 The Committee <b>recommends</b> that the management commentary, in addition to the provisions laid down by legislation, includes the following information about the members of the board of directors:</p> <ul style="list-style-type: none"> <li>• the position of the relevant person,</li> <li>• the age and gender of the person in question,</li> <li>• the person's competencies and qualifications that are relevant to the company,</li> <li>• whether the member is considered independent</li> <li>• the member's date of appointment to the board of directors,</li> <li>• expiry of the current election term,</li> <li>• the member's participation in the meetings of the board of directors and committee meetings,</li> <li>• other management functions, including memberships in executive boards, boards of directors, and supervisory boards, including board committees in Danish and foreign enterprises and demanding organisational tasks,</li> <li>• and the number of shares, options, warrants and similar owned by the member in the company, and other group companies, as well as changes to the member's portfolio of the mentioned securities which have occurred during the financial year.</li> </ul>	X		<p><i>The management commentary contains information about when the individual member joined the Board of Directors, whether the member was re-elected and when the current election period expires. In addition the management commentary includes information about the member's position, age and gender, relevant competencies and qualifications, participation in meetings, other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees, foreign enterprises, demanding organizational tasks, and the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year.</i></p>
3.3.3 The Committee <b>recommends</b> that the annual evaluation procedure, cf. section 3.5, include an evaluation of what	X		<p><b>4.6. Self-assessment</b> The Board of Directors must once a year carry out a self-assessment procedure that systematically evaluates the composition of the Board as well as the results and work of</p>

<p>is regarded as a reasonable level for the number of other management functions, where the number, level and complexity of the other individual management functions are taken into account.</p>			<p>the Board of Directors, the Chairman, and the individual Board members. At least every third year, the Board of Directors shall obtain external assistance for the evaluation process. The assessment shall include, inter alia,</p> <ul style="list-style-type: none"> <li>• The extent to which strategic goals and plans have been achieved</li> <li>• The quality and efficiency of the Board's work</li> <li>• The contributions to the Board's work and results made by the individual Board members</li> <li>• The composition of the Board in relation to competencies and experiences of the Board's members seen in relation to the identified ideal competence profile including identification of skills and expertise of its members that need to be updated (including diversity and number of members)</li> <li>• The total number of management functions for each Board member in relation to the number, level and complexity of such individual management functions</li> <li>• The Chairman's leadership of the Board of Directors,</li> <li>• The work in the committees and the committee structure, and</li> <li>• The organization and quality of the material that is submitted to the Board of Directors.</li> </ul>
<p><b>3.4 Board committees</b></p>			
<p>3.4.1 The Committee <b>recommends</b> that the company publish the on the company's website:</p> <ul style="list-style-type: none"> <li>• the terms of reference for the board committees,</li> <li>• the most important activities of the committees during the year and the number of meetings held by each committee, and</li> <li>• the names of the members of each committee, including the chairmen of the committees, as well as information regarding which members are independent members and which members have special qualifications.</li> </ul>	<p>X</p>		<p><b>4.3. Use of board committees</b></p> <p>The Board of Directors may set up a permanent, separate committee as well as committees for special purposes. SimCorp shall ensure transparency about any board committees by disclosing information on:</p> <ul style="list-style-type: none"> <li>• the terms of reference for the board committees,</li> <li>• important activities of the committees during the year and the number of meetings held by each committee, and</li> <li>• the names of the members of each committee, including the chairmen of the committees, as well as information on which members are independent members and which members have special qualifications.</li> </ul> <p><i>Besides the Audit Committee and the Nomination and Remuneration Committee SimCorp does not have any separate, permanent board committees.</i></p>

<p>3.4.2 The Committee <b>recommends</b> that a majority of the members of a board committee be independent.</p>	<p>X</p>		<p><b>Terms of Reference for the Audit Committee and Nomination and Remuneration Committee</b>  <i>Currently the majority of the members of both committees are independent board members.</i></p>
<p>3.4.3 The Committee <b>recommends</b> that the board of directors set up among its members an <u>audit committee</u> and that a chairman is appointed who is not the chairman of the board of directors.</p>	<p>X</p>		<p><b>Terms of Reference for the Audit Committee</b>  <b>5.1 Chairman</b></p> <p>The Board appoints the Chairman of the committee who cannot simultaneously act as chairman of the Board of Directors.</p> <p>The Chairman must be an independent, Non-Executive Director with such recent and relevant financial experience that allows the Chairman to fulfil the requirement in section 31 of the Danish Act on Statutory Auditors and Accounting Firms of possessing special competences within accounting or auditing and with relevant experience for a listed company.</p> <p>The appointment is for a period of one year. Re-appointment may take place. Should the Chairman be unable to attend a Committee meeting, the Chairman will delegate his responsibility to a nominated Chairman for that session.</p>
<p>3.4.4 The Committee <b>recommends</b> that, prior to the approval of the annual report and other financial reports, the audit committee monitor and report to the board of directors about:</p> <ul style="list-style-type: none"> <li>• significant accounting policies</li> <li>• significant accounting estimates,</li> <li>• related party transactions, and</li> <li>• uncertainties and risks, including in relation to the outlook for the current year.</li> </ul>	<p>X</p>		<p><b>Terms of Reference for the Audit Committee</b></p> <p><b>4.1 Financial Reporting</b></p> <p>The Committee will monitor the Executive Management Board's recommendations in respect of financial reporting, and recommend to the Board:</p> <ul style="list-style-type: none"> <li>• SimCorp's quarterly and annual reports and accounts;</li> <li>• Any significant changes in SimCorp's accounting policies and practices; and</li> <li>• Changes in any significant treasury arrangements and their impact on SimCorp.</li> </ul> <p><b>4.2 Financial Control Environment / Financial Risk (including market, credit and liquidity risk)</b></p> <p>The Committee will:</p> <ul style="list-style-type: none"> <li>• Monitor the Executive Management Board's maintenance of an effective system of internal financial control, including notifying the Board of financial control deficiencies or other issues;</li> </ul>

			<ul style="list-style-type: none"> <li>• Monitor and advise the Board on the management of key financial risks, including reviewing reports for material breaches of risk tolerances and material audit findings, and the adequacy of proposed actions;</li> <li>• Monitor scenarios and stress tests to assess the adequacy of capital and liquidity;</li> <li>• Monitor the financial controls in place to ensure investments are being managed in line with the authority principles and that all investments are analyzed and treated in an appropriate manner;</li> <li>• Monitor the level of exposure to credit risk.</li> </ul> <p><b>4.5 Other matters</b></p> <p>The Committee will:</p> <ul style="list-style-type: none"> <li>• Monitor related party transactions</li> </ul>
<p>3.4.5 The Committee <b>recommends</b> that the audit committee:</p> <ul style="list-style-type: none"> <li>• annually assesses the need for an internal audit function, and in such case, presents mandates and recommendations on selecting, appointing and removing the head of any internal audit function and on the budget of the internal audit function,</li> <li>• ensure if an internal audit has been established, a description of its functions is approved by the board of directors,</li> <li>• ensure that if an internal audit has been established, adequate resources and competencies are allocated to carry out the work, and</li> <li>• monitor the executive board's follow-up on the conclusions and recommendations of the internal audit function.</li> </ul>	X		<p><i>Presently, SimCorp has decided not to have an internal audit function and the Audit Committee will continue to assess the need for establishing an internal audit function.</i></p> <p><b>Terms of Reference for the Audit Committee</b></p> <p><b>4.3 Internal Audit</b></p> <p>The Committee will:</p> <ul style="list-style-type: none"> <li>• Assess the need for establishing a separate Internal Audit function for SimCorp to ensure audit activities support the risk profile of SimCorp Group and provide recommendations to the Board should additional audit function be required.</li> </ul>

<p>3.4.6 The Committee <b>recommends</b> that the board of directors establish a <u>nomination committee</u>, which is at least, responsible for the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>• describe the qualifications required by the board of directors and the executive board and for a given position, indicating the time expected to be spent carrying out a specific position, as well as assessing the competencies, knowledge and experience found in the two governing bodies,</li> <li>• annually assessing the structure, size, composition and results of the board of directors and the executive board and recommend any changes to the board of directors,</li> <li>• annually assessing the competencies, knowledge, experience and succession of the individual members of management, and report to the board of directors in this respect,</li> <li>• recommending candidates for the board of directors and the executive board, and</li> <li>• proposing an action plan to the board of directors on the future composition of the board of directors, including proposals for specific changes.</li> </ul>	X		<p><b>Terms of Reference for the Nomination and Remuneration Committee</b></p> <p><b>1. Preamble and purpose</b></p> <p>The SimCorp Nomination and Remuneration Committee (the “Committee”) has been established by the SimCorp A/S Board of Directors (the “Board”) to assist the Board with the oversight of:</p> <p>1.1. Nomination matters, which include:</p> <ul style="list-style-type: none"> <li>(a) The competence profile and composition of the Board</li> <li>(b) Nomination of members of the Board</li> <li>(c) Nomination of members of Board committees</li> <li>(d) Succession plan for Group Management Committee</li> <li>(e) Other tasks</li> </ul>
<p>3.4.7 The Committee <b>recommends</b> that the board of directors establish a <u>remuneration committee</u>, which is at least, responsible for the following preparatory tasks:</p>	X		<p><i>As adopted by the annual general meeting in 2018, a combined Nomination and Remuneration Committee has been established by the SimCorp A/S Board of Directors to assist the board with the remuneration policy. Part of the terms of reference for this Committee is to assist with the remuneration report.</i></p>



<ul style="list-style-type: none"> <li>recommending the remuneration policy (including the “General Guidelines for incentive-based Remuneration”) to the board of directors and the executive board for approval by the board of directors prior to approval by the general meeting,</li> <li>making proposals to the board of directors on remuneration for members of the board of directors and the executive board, as well as ensuring that the remuneration is in compliance with the company’s remuneration policy and the assessment of the performance of the persons concerned. The committee should have information about the total remuneration that members of the board of directors and the executive board receive from other companies in the group,</li> <li>recommending a remuneration policy applicable for the company in general, and</li> <li>assisting with the preparation of the annual remuneration report.</li> </ul>			<p><b>Terms of Reference for the Nomination and Remuneration Committee</b></p> <p><b>1. Preamble and purpose</b></p> <p>The SimCorp Nomination and Remuneration Committee (the “Committee”) has been established by the SimCorp A/S Board of Directors (the “Board”) to assist the Board with the oversight of:</p> <p>1.2. Remuneration matters, which include</p> <ul style="list-style-type: none"> <li>(a) The remuneration of the Board of Directors</li> <li>(b) The remuneration of Group Management Committee</li> <li>(c) The Remuneration Policy</li> <li>(d) Restricted Stock Units pool and allocations</li> <li>(e) Other tasks</li> </ul>
<p>3.4.8 The Committee <b>recommends</b> that the remuneration committee do not consult with the same external advisers as the executive board of the company.</p>	<p>X</p>		<p><i>SimCorp currently does not use external advisors to implement its remuneration policy, as the remuneration policy adopted by the Annual General Meeting is quite precise and leaves little room for interpretation or flexibility.</i></p> <p><b>Terms of Reference for the Audit Committee</b></p> <p><b>2. Scope and authority</b></p> <p>The Board has delegated authority to the Committee to carry out its mandate. The Committee has the authority to seek external independent advice to assist it with carrying out its duties.</p>
<p>3.5 Evaluation of the performance of the board of directors and the executive board</p>			

<p>3.5.1 The Committee <b>recommends</b> that the board of directors establishes an evaluation procedure for an annual evaluation of the board of directors and the individual members. External assistance should be obtained at least every third year. The evaluation should inter alia include:</p> <ul style="list-style-type: none"> <li>• contribution and results,</li> <li>• cooperation with the executive board,</li> <li>• the chairman’s leadership of the board of directors,</li> <li>• the composition of the board of directors (including competencies, diversity and the number of members),</li> <li>• the work in the committees and the committee structure, and</li> <li>• the organisation and quality of the material that is submitted to the board of directors.</li> </ul> <p>The evaluation procedure and the general conclusions should be described in the management commentary and on the company’s website. The chairman should account for the evaluation of the board of directors, including the process and general conclusions, on the general meeting prior to the election of the board of directors.</p>	X		<p><b>4.6. Self-assessment</b>  The Board of Directors must once a year carry out a self-assessment procedure that systematically evaluates the composition of the Board as well as the results and work of the Board of Directors, the Chairman, and the individual Board members. At least every third year, the Board of Directors shall obtain external assistance for the evaluation process. The assessment shall include, inter alia,</p> <p>+</p> <ul style="list-style-type: none"> <li>• The extent to which strategic goals and plans have been achieved</li> <li>• The quality and efficiency of the Board’s work</li> <li>• The contributions to the Board’s work and results made by the individual Board members</li> <li>• The composition of the Board in relation to competencies and experiences of the Board’s members seen in relation to the identified ideal competence profile including identification of skills and expertise of its members that need to be updated (including diversity and number of members),</li> <li>• The total number of management functions for each Board member in relation to the number, level and complexity of such individual management functions</li> <li>• The Chairman’s leadership of the Board of Directors,</li> <li>• The work in the committees and the committee structure, and</li> <li>• The organization and quality of the material that is submitted to the Board of Directors.</li> </ul> <p><b>4.7. External reporting and the Board’s work</b>  In its management commentary, SimCorp shall disclose information on the Board’s work during the past year. Such disclosure shall include, inter alia:</p> <ul style="list-style-type: none"> <li>• Meetings held by the Board of Directors</li> <li>• Adoption or updating of important procedures and instructions</li> <li>• The procedure used by the Board of Directors for its self-assessment and the outcome hereof</li> <li>• The Board’s assessment of the appropriateness of the company’s capital structure and resources</li> </ul>
<p>3.5.2 The Committee <b>recommends</b> that at least once annually, the board of directors evaluate the work and performance of the executive board in accordance with pre- defined criteria. Furthermore, the board of directors should</p>	X		<p><b>6.4. Evaluation</b>  The Board of Directors shall set up a procedure for an annual evaluation of the work and results of the Executive Management Board in accordance with specific criteria defined in advance. The procedure shall also comprise an assessment of the individual Executive Management Board members and an evaluation of the need for changes to</p>

evaluate the need for changes to the structure and composition of the executive board, in light of the company's strategy.			the structure and composition of the Executive Management Board, in light of the company's strategy.
3.5.3 The Committee <b>recommends</b> that the executive board and the board of directors establish a procedure according to which their cooperation is evaluated annually through a formalised dialogue between the chairman of the board of directors and the chief executive officer, and that the outcome of the evaluation be presented to the board of directors	X		As an integrated part of the above assessment the Board of Directors and the Executive Management Board shall once a year make a joint assessment of the co-operation between the two Boards. The results of the assessment shall be discussed at a Board meeting. The Chairman is responsible for carrying out the assessment provided, however, that the Vice-Chairman shall be responsible for carrying out the assessment of the Chairman, and the results shall be discussed by the entire Board of Directors and the Executive Management Board.
<b>4. Remuneration of management</b>			
<i>4.1. Form and content of the remuneration policy</i>			
4.1.1. The Committee <b>recommends</b> that the board of directors prepare a remuneration policy for the board of directors and the executive board, which includes <ul style="list-style-type: none"> <li>• a detailed description of the components of the remuneration for members of the board of directors and the executive board,</li> <li>• the reasons for choosing the individual components of the remuneration, and</li> <li>• a description of the criteria that form the basis for the balance between the individual components of the remuneration, and</li> <li>• an explanation for the correlation between the remuneration policy and the company's long-term value creation and relevant related goals.</li> </ul>	X		<p>Please refer to the Remuneration Guidelines available at <a href="https://www.simcorp.com/en/investor/corporate-governance">https://www.simcorp.com/en/investor/corporate-governance</a></p> <p><b>7.1. General Principles</b> The guidelines for incentive remuneration for the Board of Directors, the Executive Management Board and the employees of SimCorp are subject to approval by the shareholders at the general meeting.</p>

<p>The remuneration policy should be approved by the general meeting at least every fourth year and upon any material amendments and published on the company's website.</p>			
<p>4.1.2 The Committee <b>recommends</b> that, if the remuneration policy includes variable components,</p> <ul style="list-style-type: none"> <li>• limits be set on the variable components of the total remuneration package,</li> <li>• a reasonable and balanced composition be ensured between remuneration for members of management and the value creation for shareholders in the short and long term,</li> <li>• clarity be established about performance criteria and measurability for the award of variable components,</li> <li>• it is ensured that variable remuneration not only consists of short-term remuneration components, and that long-term remuneration components must have a vesting or maturity period of at least three years, and</li> <li>• it be ensured that the company has the ability to reclaim, in full or in part, variable components of remuneration that were paid on the basis of information, which subsequently are found to be incorrect.</li> </ul>	<p>X</p>		<p>Please refer to the Remuneration Guidelines available at <a href="https://www.simcorp.com/en/investor/corporate-governance">https://www.simcorp.com/en/investor/corporate-governance</a></p> <p><i>SimCorp has included provisions in its agreements in order for SimCorp to comply with this recommendation.</i></p>
<p>4.1.3 The Committee <b>recommends</b> that remuneration of the board of directors do not include share options or warrants.</p>	<p>X</p>		<p>Please refer to the Remuneration Guidelines for the Board of Directors, Executive Management and Employees, available at <a href="https://www.simcorp.com/en/investor/corporate-governance">https://www.simcorp.com/en/investor/corporate-governance</a></p>

			<p><i>One third of the total remuneration to the Board of Directors is converted into a number of SimCorp shares by applying an average share price. The applied average share price for SimCorp shares is defined as the average share price in the 3-day-period following the release of the annual report. The calculated numbers of shares are transferred to the Board members' custody accounts once annually in arrears. The cash compensation is paid on a quarterly basis.</i></p>
<p>4.1.4 The Committee <b>recommends</b> that in relation to long-term incentive programmes, a share-based remuneration is used, the programmes should have a vesting or maturity period of at least three years after being allocated and should be roll-over programmes, i.e. the options should be granted periodically.</p>		X	<p>Please refer to the Remuneration Guidelines for the Board of Directors, Executive Management and Employees, available at <a href="https://www.simcorp.com/en/investor/corporate-governance">https://www.simcorp.com/en/investor/corporate-governance</a></p> <p>The long-term incentive program (LTIP) for the Executive Management Board includes variable components in the form of restricted stock units with a vesting period of less than three years. From the financial year 2019, SimCorp will follow the recommendation to keep the vesting period at minimum three years.</p>
<p>4.1.5 The Committee <b>recommends</b> that the total value of the remuneration relating to the notice period, including severance pay, do not exceed two years' of remuneration, including all components of the remuneration.</p>		X	<p><i>For three existing executive services agreements, the total severance pay during the notice period exceeds the recommended two years' remuneration in the event of change of ownership as severance payments is up to 9 months and notice period is extended to 24 months for two executives and 36 months for one executive in terms of change of ownership. In future agreements, SimCorp will ensure the total remuneration does not exceed the recommended threshold.</i></p>
<p><b>4.2. Disclosure of the remuneration policy</b></p>			
<p>4.2.1 The Committee <b>recommends</b> that the company's remuneration policy and compliance with this policy be explained and justified annually in the chairman's statement at the company's general meeting.</p>	X		<p><i>It is standard procedure in SimCorp that the chairman explains and justifies the remuneration policy and compliance herewith at the annual general meeting.</i></p>
<p>4.2.2 The Committee <b>recommends</b> that shareholders at the general meeting consider proposals for approval of remuneration for the board of directors for the current financial year.</p>	X		<p><i>This has been standard practice in SimCorp for several years (since 2004).</i></p>
<p>4.2.3 The Committee <b>recommends</b> that the company prepares a remuneration</p>	X		<p><i>SimCorp's annual report discloses remuneration to the Board of Directors and to the Executive Management Board in accordance herewith.</i></p>

<p>report that includes information on the total remuneration received by each member of the board of directors and the executive board from the company and other companies in the group and associated companies for the last three years, including information on the most important retention and resignation arrangements and that the correlation between the remuneration and company strategy and relevant related goals be explained.</p> <p>The remuneration report should be published on the company's website.</p>			<p><i>SimCorp does not have any defined-benefit schemes in favor of members of the Board of Directors or the Executive Management Board.</i></p> <p><i>SimCorp's annual report contains information hereon. In the current annual report, SimCorp follows the revised recommendation and provides 3 years of historic data and explains the correlation with the company strategy.</i></p>
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## 5. Financial reporting, risk management and audits

### 5.1 Identification of risks and transparency about other relevant information

<p>5.1.1 The Committee <b>recommends</b> that the board of directors consider and in the management commentary account for the most important strategic and business-related risks, risks in connection with the financial reporting as well as for the company's risk management.</p>	<p>X</p>		<p><i>The Board of Directors will on an annual basis and prior to approving the annual report consider whether the annual report should be supplemented by additional financial and non-financial information.</i></p> <p><b>8.1. Risk Management Procedures</b></p> <p>The Board of Directors is responsible for ensuring that SimCorp has appropriate and adequate procedures in place to monitor, measure and manage the company's risks, and that such procedures are firmly embedded throughout the company's organization. The Board of Directors shall once a year assess the company's risk exposure, and review systems and procedures for risk monitoring and reporting, and the company's insurance coverage. This assessment shall ensure that the company inter alia:</p> <ul style="list-style-type: none"> <li>• Develops and maintains an understanding throughout the organization of the company's strategic and operational goals, and identifies critical success factors for achieving such goals.</li> <li>• Analyses the risk and consequences of the company's failure to achieve the strategic and operational goals.</li> </ul>
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			<ul style="list-style-type: none"> <li>Analyses the company's most important business activities with a view to identifying related risks.</li> </ul> <p>In connection with the risk assessment, the Board of Directors shall define the company's willingness to accept risk and evaluate the company's risk management, including insurance, currency, and investment policies. The risk management policy shall define the company's risks and specify methods to monitor, eliminate, control, or hedge risk. Finally, the risk management policy shall define the extent to which the company's independent auditors should contribute to assessing the company's material risks and risk management measures.</p> <p><b>8.1. Risk Management Procedures</b> In the management commentary SimCorp shall disclose information about significant activities related to the company's risk management.</p>
<i>5.2. Whistleblower scheme</i>			
5.2.1. The Committee <b>recommends</b> that the board of directors establish a whistleblower scheme for expedient and confidential notification of serious wrongdoing or suspicions thereof.	X		<p><b>8.2. Whistleblower Policy</b> SimCorp has established a whistleblower system as a means of increasing focus on transparency. The whistleblower system allows employees, management, members of the Board of Directors of SimCorp and other stakeholders of SimCorp (such as supplier representatives, clients or SimCorp shareholders) who believe they have become aware of actions or omissions that could damage SimCorp whether financially, reputationally or in some other way to pass on this information to a whistleblower e-mail account which can be found at <a href="https://www.simcorp.com/en/investor/whistleblower-policy">https://www.simcorp.com/en/investor/whistleblower-policy</a>.</p>
<i>5.3. Contact to auditor</i>			
5.3.1 The Committee <b>recommends</b> that the board of directors ensure regular dialogue and exchange of information between the auditor elected by the general meeting and the board of directors, including that the board of directors and the audit committee meet with the auditor elected by the general meeting at least once annually without the executive board present. This also applies to the internal auditor, if any.	x		<p><i>The auditors of SimCorp participate annually in 1 Board meeting of SimCorp. Further, the auditors participate in all meetings of the Audit Committee. In respect of all board and Audit Committee meetings, the auditors receive written material which is distributed prior to the Board meetings and minutes from the Board meetings.</i></p> <p><i>The Board of Directors and the Audit Committee meet with the auditors without SimCorp's Executive Management Board at one Board meeting annually.</i></p>

<p>5.3.2 The Committee <b>recommends</b> that the audit agreement and auditors' fee be agreed by the board of directors and the auditor elected by the general meeting based on a recommendation from the audit committee.</p>	<p>x</p>		<p><i>The Board of Directors has agreed that the Audit Committee suggests to the Board of Directors the auditor's agreement together with the auditors' fee for the upcoming financial year. The Board of Directors, agree with the auditors hereon at the meeting at which the audit plan is presented to the Board of Directors.</i></p>
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