

In accordance with Article 161 of the Aktiengesetz (German Stock Corporation Act), the management and supervisory boards of listed companies are obliged to issue an annual declaration stating whether the recommendations of the Government Commission on the German Corporate Governance Code, as published by the German Federal Ministry of Justice in the official section of the Bundesanzeiger (Federal Gazette), have been and are being complied with or which of the Code's recommendations have not been or are not being applied.

### **Declaration by the Board of Management and Supervisory Board of itelligence AG on the German Corporate Governance Code**

Although the shares in itelligence AG (itelligence-shares) are no longer listed, the Board of Management and Supervisory Board of itelligence AG identify with the objectives of the German Corporate Governance Code, namely to promote good, trustworthy company management that is oriented towards benefiting shareholders, employees and customers. The aim of itelligence AG is to achieve a sustainable increase in enterprise value. Accordingly, the Board of Management and Supervisory Board of itelligence AG endorse the recommendations and provisions of the German Corporate Governance Code and decided to issue an annual declaration on the German Corporate Governance Code, although the listing of the itelligence-shares has ended in the fiscal year 2013.

itelligence AG acted in accordance with the recommendations of the German Corporate Governance Code throughout the 2018 financial year and will continue to do so in future based on the version of the German Corporate Governance Code last amended on 7th February 2017, on which this declaration is based. itelligence AG departed from the recommendations of the German Corporate Governance Code in some aspects. Details of the individual departures are provided below. With regard to the following declaration, it should be taken into account that, after implementation of the squeeze-out in the fiscal year 2013, NTT DATA EUROPE GmbH & Co KG meanwhile holds all shares in itelligence AG and, in connection therewith, the listing of itelligence-shares has ended. Therefore, itelligence AG will no longer conduct a public General Meeting and the statutory provisions for listed stock corporations no longer apply to itelligence AG.

**The following recommendations of the German Corporate Governance Code have not been implemented:**

- **Section 4.2.3, para. 4: Severance Pay Cap**

*“In concluding Management Board contracts, care shall be taken to ensure that payments made to a Management Board member on premature termination of his/her contract, including fringe benefits, do not exceed the value of two years’ compensation (severance pay cap) and compensate no more than the remaining term of the employment contract.”*

After the listing of the itelligence shares has ended, the contracts of the members of the Board of Management no longer provide for a severance pay cap. The Company is convinced that the Supervisory Board will negotiate an adequate severance payment with a Management Board member in case of a premature termination.

- **Section 4.2.4 and 4.2.5 para. 3 and 4: Disclosure of the compensation of management board members in the compensation report**

*“The total compensation for a Management Board member shall be disclosed by name, divided by fixed and variable compensation elements. The same applies for commitments to benefits which are granted to a Management Board member in case of premature or regular termination of work as a Management Board member or which have been amended during the fiscal year.*

*In addition, for each Management Board member, the compensation report shall present:*

- *the benefits granted for the year under review including the fringe benefits, and including the maximum and minimum achievable compensation for variable compensation components,*
- *the allocation of fixed compensation, short-term variable compensation and long-term variable compensation in/for the year under review, broken down into the relevant reference years,*
- *for pension provisions and other benefits, the service cost in/for the year under review.*

*The model tables provided in the appendix shall be used to present this information.”*

In the past, itelligence AG has disclosed the individual compensation of the members of the Board of Management in accordance with section 4.2.4 and section 4.2.5 paragraph 1 and 2 for each member of the Board of Management in a compensation report which was part of the Management Report. itelligence AG intends to continue to do so in the future. According to the German Corporate Governance Code, the additional requirements of section 4.2.5 paragraph 3 and 4 as well as the model tables provided in the appendix to the Code shall apply as of the financial year 2014. The Code regulates in detail how the information on the individual compensation of each of the members of the Board of Management shall be presented in the compensation report and how this information shall be illustrated in the model tables. In order to ensure the comparability with past reports and to limit the effort in connection with the reporting on the compensation of members of the Board of Management, the Management Board and Supervisory Board intend to continue to disclose the compensation of the members of the Board of Management in line with past practice. As a result, the requirements of section 4.2.5, paragraph 3 and 4, are not fully complied with.

- **Section 5.1.2: Age limit for members of the Board of Management**

*“An age limit for members of the Management Board shall be specified.”*

An age limit has not been included in the contracts of members of the Board of Management in the past, nor does itelligence AG plan to implement such an age limit in the current or future contracts of members of the Board of Management.

Contracts with members of the Board of Management are always concluded for a limited term. The age of the respective member of the Board of Management will be taken into account by the Supervisory Board to a sufficient extent when determining the term of the contract. This makes the specification of an age limit in the respective contract unnecessary.

- **Section 5.3.3: Formation of a nomination committee within the Supervisory Board**

*“The Supervisory Board shall form a nomination committee composed exclusively of shareholder representatives which proposes suitable candidates to the Supervisory Board for recommendation to the General Meeting.”*

itelligence AG has not formed a nomination committee and does not intend to do so in future.

itelligence AG does not consider a nomination committee to be necessary on account of the size of its Supervisory Board.

- **Section 5.4.1: Specification of concrete objectives regarding the composition of the Supervisory Board and working out a profile of skills and expertise for the entire board**

*“The Supervisory Board shall specify concrete objectives regarding its composition and shall prepare a profile of skills and expertise for the entire board. For its composition, whilst considering the specifics of the enterprise, it should give appropriate consideration to the international activities of the enterprise, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of number 5.4.2, an age limit to be specified and a regular limit of length of membership to be specified for the members of the Supervisory Board as well as diversity. The particular provisions of the acts on co-determination are to be observed for the chosen employee representatives.*

*In listed companies for which the Co-determination Act, the Co-determination Act for the Iron and Steel Industry or the Co-determination Extension Act apply, the Supervisory Board shall comprise at least 30% women and at least 30% men. In other companies covered by the Equality Act the Supervisory Board shall determine targets for the proportion of women.*

*Recommendations by the Supervisory Board to the competent election bodies shall take these objectives into account and at the same time strive to fill the competence profile for the full body. The status of the implementation shall be published in the Corporate Governance Report. It shall also provide information about what the Supervisory Board considers the appropriate number of independent members of shareholders and the names of these members.*

*For its proposals for the selection of new members of the Supervisory Board to the General Meeting, the Supervisory Board shall make sure that the particular candidate can afford the expected time expenditure. The candidate proposal should have a CV attached, which provides information about relevant knowledge, skills and experience; this should be supplemented by an overview of the essential activities alongside the Supervisory Board mandate and published with updates annually for all members of the Supervisory Board on the company’s website.”*

From the Company’s perspective, the composition of the Supervisory Board complies with the requirements of the German Corporate Governance Code, particularly with regard to the number of independent Supervisory Board members and the aspect of diversity. The aforementioned objectives will be formally taken into account in future proposals for election. Concrete objectives and a regular limit of length of membership are not specified. No profile of skills and expertise will be worked out for the entire Board. Hence, there will be no publication of the objective and the state of implementation as well as the Supervisory Board’s estimate of an appropriate number

of independent members of shareholders and the names of these members in the Corporate Governance Report.

A specification and publication of concrete objectives and their periodical amendment as well as working out a profile of skills and expertise for the entire Board would create a significant effort, which is not justified on account of the shareholder structure and size of the Company and the Supervisory Board. The Company complies with the statutory regulations regarding the determination of a target proportion of women in the Supervisory Board and the reporting thereon in the Management Report. Since no more public general meetings are carried out by itelligence AG, the election proposals and CV's of the candidates will not be published separately.

- **Section 6.2: Transparency and Financial Calendar; Section 7.1.1 and 7.1.2: Financial Reporting and Auditing**

*Section 6.2 “Within the framework of ongoing public relations work, the dates of publications of the Annual Reports and interim financial information as well as the General Meeting, of financial statement press and analysts’ conferences shall be published in a ‘financial calendar’ sufficient time in advance on the company’s website.”*

*Section 7.1.1 “Shareholder and third parties shall be informed by the consolidated financial statement and the group management report as well as the interim financial information. If the company is not obligated to publish quarterly communications, it shall inform the shareholders during the year alongside the half-year financial report about essential changes to the business developments as well as the risk situation in a suitable form.”*

*Section 7.1.2 “The consolidated financial statement and the group management report shall be drawn up by the Board of Management and audited by the annual auditor as well as the Supervisory Board. The Board of Management shall discuss the interim financial information with the Supervisory Board or its audit committee before publication. The consolidated financial statement and the group management report shall be made accessible to the public within 90 days after the end of the financial year, the obligatory interim financial information within 45 days after the end of the reporting period.”*

itelligence AG does not publish a “financial calendar” and does not conduct financial statement press and analysts’ conferences. As all shares in itelligence AG are held by NTT DATA EUROPE GmbH & Co KG, dates of the General Meeting are not published either. The public will be informed about the course of business of itelligence AG through the annual report, the half-year report and press releases. Press releases are published on the itelligence AG website. itelligence AG no longer publishes quarterly reports or interim reports. itelligence AG no longer publishes other interim financial reports such as ad-hoc notifications. The company’s website is the central communication instrument. Since no interim financial information will be published

alongside the half-year report, any discussion of the same with the Supervisory Board or the audit committee shall also not take place before publication.

Bielefeld, December 19, 2018  
itelligence AG



For the Board of Management  
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For the Supervisory Board  
Friedrich Fleischmann