

# Corporate Governance Report and Corporate Governance Statement

## 1. Basic approach

As a Group with global operations, TeamViewer attaches great importance to good corporate governance. Transparent and responsible company management, a collaboration between the Management Board and Supervisory Board in a spirit of trust and open capital market communications are understood by TeamViewer to be key elements of good governance. TeamViewer AG is guided by the standards of the GCGC.

In the following, the Management Board and Supervisory Board of TeamViewer AG report jointly on corporate governance at TeamViewer in accordance with section 3.10 of the GCGC as amended on 7 February 2017. Due to the close substantial overlap, the Management Board and Supervisory Board submit the Corporate Governance report together with the Corporate Governance statement pursuant to § 315 d and § 289 et seq. HGB, the latter being part of the combined management report.

## 2. Management Board

### 2.1 Composition

The Management Board of TeamViewer AG comprised two members as at 31 December 2019. The two current members of the Management Board are appointed for a three-year period of office running until 18 August 2022. According to the Articles of Association of TeamViewer AG, the Management Board is appointed and removed by the Supervisory Board.

The Supervisory Board is of the opinion that diversity aspects also play an important role for the successful development of the company in addition to the professional skills and experience of the members of the Management Board. In line with its diversity concept, the Supervisory Board is therefore seeking to ensure that the Management Board consists of members who complement each other in terms of their personal and professional background, their experience and specialist knowledge. All of which will enable the Management Board, in its entirety, to call on as wide as possible a range of experiences, knowledge and abilities.

Diversity within the Management Board is reflected in the members' individual educational and professional careers and the broad spectrum of experience each possesses. At the same time, however, each Management Board member must be able to perform the tasks of a Management Board member in a listed software company with international operations and to preserve the company's public reputation. Furthermore, the members of the Management Board must possess in-depth knowledge of the company's business and market environment and are usually expected

to have several years of management experience. In view of the company's business model, at least one member of the Management Board should also have knowledge of the following areas:

- Strategy and strategic management
- Technology and SaaS companies, including the relevant markets and customer needs
- Operations and technology, including IT and digitalisation
- Corporate governance
- Human resource management and development
- Finance, including financing, accounting, controlling, risk management and internal control procedures

Given the international focus of the company's activities, at least some members of the Management Board should possess noteworthy international experience. Regarding the company's objectives for the target figure for women on the Management Board, please see the explanations in Chapter 4 *Target figures for female representation in executive positions*. The age limit for members of the Management Board is 65 years. A heterogeneous age structure is aimed for but is subordinate to the other criteria mentioned.

## 2.2 Tasks

The Management Board has sole responsibility for managing the company's operations. The Management Board is guided by the company's interests and committed to ensuring the growth of its sustained enterprise value. The Management Board develops the company's strategic direction, coordinates it with the Supervisory Board at regular intervals and ensures its implementation. The basic principles guiding business management, the collaboration between the Management Board members and the supply of information to the Supervisory Board are set out in rules of procedure for the Management Board. The Management Board manages the company's operations with the standard of care of a prudent and diligent manager in accordance with the law, the Articles of Association and the rules of procedure. The Management Board cooperates with the company's other bodies in a spirit of collegiality and trust, for the benefit of the company.

The members of the Management Board are jointly responsible for the management of the company's business. Notwithstanding this, every member of the Management Board manages the business area allocated to them by the schedule of responsibilities independently and is solely responsible for them. The members of the Management Board work together as colleagues and advise and brief each other on a continual basis. The Management Board meets regularly, usually every two weeks. The Management Board's decisions must be unanimous.

The Management Board collaborates closely with the Supervisory Board for the benefit of the company. It is the joint task of the Management Board and the Supervisory Board to ensure that adequate information is supplied to the Supervisory Board. As part of its reporting obligations pursuant to § 90 AktG, the Management Board provides regular, timely and comprehensive information on all issues of relevance to the company and the group, particularly in relation to

strategy, planning, business development, the level of risk, risk management and compliance. It addresses deviations of business performance from the plans and targets made and stipulates the reasons for them. Documents of relevance for the decision-making process are forwarded to the Supervisory Board members in good time ahead of the meeting. The Management Board requires the Supervisory Board's approval for specific transactions set out in the rules of procedure.

### **2.3 Conflicts of interest**

Members of the Management Board are committed to the interests of the company. Their decision-making must not be guided by their own personal interests. While working for the company, they are subject to a comprehensive non-competition clause and must not use business opportunities available to the company or one of its subsidiaries for their personal gain. The members of the Management Board must not demand remuneration or other benefits for themselves or other persons from third parties or grant unjustifiable benefits to third parties. Every member of the Management Board must disclose conflicts of interest immediately to the Supervisory Board and inform the other members of the Management Board accordingly. All transactions between the company or its subsidiaries, on the one hand, and the Management Board members as well as any persons related to them or undertakings personally related to them, on the other, must conform to the standards applicable to transactions with non-related third parties. Any secondary gainful activities, especially Supervisory Board mandates outside the company, by members of the Management Board require the Supervisory Board's approval.

## **3. Supervisory Board**

### **3.1 Composition**

In accordance with the Articles of Association the Supervisory Board of TeamViewer AG consists of six members elected by the General Meeting. The current Supervisory Board members were appointed as part of the company's transformation and change in legal form for the period ending with the Annual General Meeting in 2023.

The Supervisory Board of TeamViewer AG has set itself targets regarding its composition and has drafted a profile of skills and expertise and a diversity concept for the entire Board. The members of the Supervisory Board must be able to fulfil their tasks as Supervisory Board members of a software company with international operations on the basis of their knowledge, abilities and experience. They must generally comply with the maximum number of permitted mandates stipulated in section 5.4.5 second sentence GCGC and have sufficient time available to discharge their duties with due care. A Supervisory Board member should not have reached the age of 75 at the time of election and should not usually be part of the Supervisory Board for more than ten years.

With regard to the composition of the full Board, the Supervisory Board seeks to ensure that its members complement each other in terms of their personal and professional background, their experience and specialist knowledge. All of which will enable the Supervisory Board as a full body to call on as wide as possible a range of experiences and specialist knowledge. The composition of the Supervisory Board must, at all times, be such that its members combined possess the knowledge, abilities and professional experience required for the due and proper exercise of the tasks of the Supervisory Board body. Moreover, in accordance with § 100 (5) AktG the members of the Supervisory Board combined must be familiar with the sector in which TeamViewer AG operates, with at least one member possessing expert knowledge in accounting or the audit of financial statements.

### **Profile of skills and expertise**

The Supervisory Board members combined must cover all the areas of expertise it requires to perform its tasks effectively. This includes, in particular, in-depth knowledge of, and experience in the:

- Management of a company with international operations (ideally in the areas of software, SaaS or technology)
- Supervisory positions in Germany and/or abroad
- Areas of strategy and innovation
- Corporate development of a company with an international footprint
- Accounting, financial reporting, controlling / risk management and internal control procedures
- Corporate governance/compliance

### **Independence**

The Supervisory Board must take the ownership structure appropriately into account. The Supervisory Board believes that the Supervisory Board should include at least two shareholder representatives who are independent members according to section 5.4.2 GCGC. The Supervisory Board considers Mr. Salzmann, Mr. Aqraou and Mr. Felgner to be independent members.

### **Diversity**

The Supervisory Board should furthermore reflect a balanced degree of diversity, especially with regard to the international background of its members, their professional experience, expertise and female representation. To take into account the company's international character the Supervisory Board should, as a general rule, include at least two non-German nationals with international management or entrepreneurial experience. Regarding the company's objectives for the target figure for women on the Supervisory Board, please see the explanations in chapter 4 "*Target figures for female representation in executive positions*".

The Supervisory Board is convinced that this kind of composition ensures independent and efficient advice, monitoring and supervision of the Management Board. Future nomination

proposals by the Supervisory Board to the Annual General Meeting should therefore take into account the stated goals with regard to its composition while at the same time contributing to the fulfilment of the profile of skills and expertise and to the achievement of the targets of the diversity concept.

### **3.2 Tasks**

The Supervisory Board regularly advises the Management Board on the management of the company and monitors its activities. The Board must be involved in decisions which are of fundamental importance to the company.

In a decision dated 19 August 2019, the Supervisory Board in accordance with § 11 (1) of the company's Articles of Association adopted its own rules of procedure. The Supervisory Board conducts its business pursuant to statutory provisions, the Articles of Association and the rules of procedure. It collaborates closely and in a spirit of trust with the company's other bodies, especially the Management Board, for the benefit of the company. In the rules of procedure for the Management Board, the Supervisory Board has defined the transactions requiring the Supervisory Board's approval.

In accordance with its rules of procedure the Supervisory Board must hold at least two meetings every calendar year. Further meetings are to be called if such are required in the company's interest or if a Supervisory Board or Management Board member applies for a meeting to be convened, stating the purpose and reasons for such a meeting.

### **3.3 Conflicts of interest**

The Supervisory Board members are solely committed to the best interests of the company. They must not pursue personal interests in their decision-making, nor must they use business opportunities which are offered to the company or one of its subsidiaries for themselves or third parties. Every Supervisory Board member must disclose conflicts of interest to the Supervisory Board, particularly those which may be the result of an advisory function or membership of a body in respect of customers, suppliers, lenders or other business partners. In its report to the Annual General Meeting the Supervisory Board provides information on conflicts of interest that have arisen and how they were addressed. Material conflicts of interest involving a Supervisory Board member that are not merely temporary should result in the termination of that member's mandate. Supervisory Board members must not be members of bodies of, or perform advisory tasks at, material competitors of the company. Advisory agreements and other contracts for services and work concluded by a Supervisory Board member with the company require the Supervisory Board's approval.

### **3.4 Committees**

To enable the Supervisory Board to perform its tasks efficiently, it has formed an Audit Committee and a Nomination and Remuneration Committee from among its members. Each of these committees has at least three members. The Supervisory Board must be informed regularly of the work and outcomes of discussions on the committees.

#### **Audit Committee**

The Audit Committee is tasked, in particular, with the following matters: It prepares the Supervisory Board's decision on the approval of the annual financial statements and consolidated financial statements and monitors the financial reporting, the financial reporting process and the effectiveness of the internal control system, the risk management system and the internal audit system and deals with compliance issues.

The Audit Committee furthermore prepares the Supervisory Board's decision regarding the recommendation for the selection of the independent auditors and monitors the independence of the auditors of the financial statements. It also reviews the additional services provided by the independent auditors, determines the focus of audits, agrees the auditor's fees and issues the audit mandate to the independent auditors. The Audit Committee moreover discusses the half-year financial reports and quarterly statements with the Management Board prior to their publication. The Chairman of the Audit Committee, Axel Salzmann, is independent and has special knowledge and experience in applying accounting principles and in internal control procedures.

Please see the explanations in the report of the Supervisory Board for information on the composition of the Audit Committee and its meetings during the reporting year.

#### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee prepares the proposals of the Supervisory Board to the Annual General Meeting with regard to the election of Supervisory Board members, examines all aspects relating to remuneration and the terms of employment for the Management Board and issues recommendations to the Supervisory Board with regard to the signing of, amendments to and termination of employment contracts for this group of employees. If required, it will commission its own independent review of the remuneration principles and of the remuneration packages paid to the Management Board members. It presents an assessment of the Management Board's performance and issues a recommendation to the Supervisory Board for the terms of employment and remuneration of the Management Board.

Please see the explanations in the report of the Supervisory Board for information on the composition of the Nomination and Remuneration Committee and its meetings during the reporting year.

### 3.5 Efficiency review

In accordance with section 5.6 GCGC, the Supervisory Board reviews the efficiency of its activities regularly, at least every two years. In addition to qualitative criteria – to be determined by the Supervisory Board – the efficiency review looks at the procedures used within the Supervisory Board, the flow of information between the committees and the full Board and the timely and the content-wise adequate supply of information to the Supervisory Board.

### 3.6 Additional supervisory board mandates of members of the Supervisory Board

The table below sets out the additional mandates on supervisory boards and comparable supervisory bodies currently held by the Supervisory Board members of TeamViewer AG.

	Mandates in accordance with § 125 (1) fifth sentence AktG
Dr Abraham Peled	<ul style="list-style-type: none"> <li>• Chairman of the board of directors of CyberArmor Ltd.</li> <li>• Chairman of the board of directors of Synamedia Ltd.</li> </ul>
Jacob Fannesbech Aqraou	<ul style="list-style-type: none"> <li>• Member of the board of directors of Telenor ASA</li> <li>• Chairman of the board of directors of Loopia Group</li> <li>• Member of the board of directors of Wallapop SL</li> <li>• Member of the board of directors of Denmark Bridge</li> <li>• Member of the board of directors of Aqraou Invest ApS</li> <li>• Chairman of the board of directors of PhaseOne Group ApS</li> <li>• Chairman of the board of directors of CaptureOne A/S</li> </ul>
Stefan Dziarski	<ul style="list-style-type: none"> <li>• Member of the supervisory board of P&amp;I Personal &amp; Informatik AG</li> <li>• Member of the advisory board of FlixMobility GmbH</li> </ul>
Holger Felgner	<ul style="list-style-type: none"> <li>• Member of the advisory board of MPN Marketplace Networks GmbH</li> </ul>
Dr Jörg Rockenhäuser	<ul style="list-style-type: none"> <li>• Member of the advisory board of Schustermann &amp; Borenstein GmbH</li> <li>• Member of the supervisory board of P&amp;I Personal &amp; Informatik AG</li> <li>• Member of the advisory board of Simon Midco Limited/Lowell</li> <li>• Member of the regional advisory committee Mitte of Commerzbank AG</li> </ul>
Axel Salzmann	<ul style="list-style-type: none"> <li>• Member of the supervisory board of HUGO BOSS AG</li> </ul>

## 4. Target figures for female representation in executive positions

The company's Supervisory Board and Management Board are conscious of the importance of diversity, notably the particular importance of ensuring appropriate female representation in monitoring and executive positions. Accordingly, the Supervisory Board and Management Board seek to increase female representation on the Supervisory Board, the Management Board and on the first executive level below the Management Board<sup>1</sup> in the mid-term. The target figures for female representation on the Supervisory Board, the Management Board and the first executive level below the Management Board have been determined as follows:

	Target figure	Target period	At 31 December 2019
Supervisory Board	33 %	By 31 December 2023	0 %
Management Board	25 %	By 31 December 2023	0 %
First executive level below the Management Board	33 %	By 31 December 2023	50 %

## 5. Compliance

Compliance management within the TeamViewer Group ensures that all applicable provisions and laws are complied with.

### 5.1 Compliance Management System

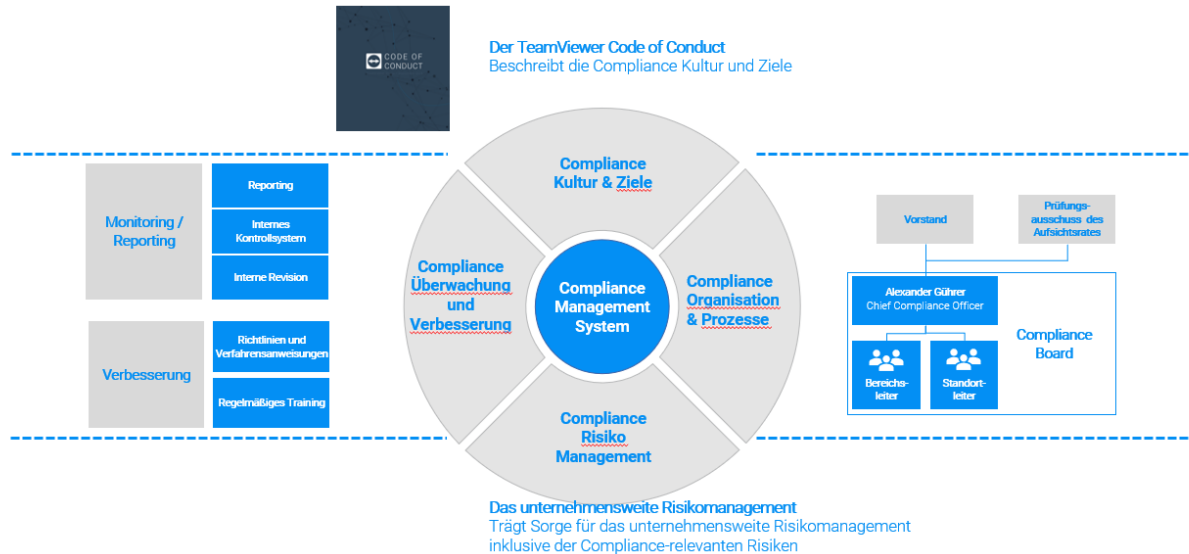
As a key element of corporate governance, the TeamViewer Group extended its compliance structure in the past fiscal year and converted it into an integrated Compliance Management System. As part of the Code of Conduct, which describes the Group's compliance culture, the Compliance Management System ensures that the regular business processes comply with all applicable statutory provisions and regulations.

A whistle-blower system is in place, enabling all employees to anonymously report compliance concerns or violations. Further reporting channels, including informal avenues, are available and have been communicated.

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<sup>1</sup> There is no second executive level below the Management Board





*Compliance Management System of the TeamViewer Group*

## 5.2 Compliance Organisation

The Group's compliance organisation has global competence and ensures the review of and adherence to compliance processes together with any improvements, if applicable, as well as evaluating and mitigating compliance risks. The main body of the compliance organisation is the Compliance Board, which reports to the Management Board and the Audit Committee of the Supervisory Board under the direction of the Chief Compliance Officer.

## 5.3 Code of Conduct

TeamViewer is aware of the economic and social responsibility it has towards its business partners, investors and employees. To formulate this commitment and provide all employees with a binding framework for ethical conduct in a business environment TeamViewer has introduced a Code of Conduct. It describes the goal, communicated by the Management Board, that all decision-making processes should be guided by integrity, transparency and compliance with applicable laws and provisions.

The elements of the Code of Conduct are based on applicable international standards and provisions. They essentially comprise regulations on how employees should treat each other and business partners, how to combat corruption as well as outlining their responsibilities with regard to security, confidentiality and the environment.

The Code of Conduct is freely available via the company's website, and all employees are given annual training to familiarise themselves with its content. It also serves as a framework for further important internal policies and procedural guidelines, including in the areas of combating corruption, data security and IT security.

Working together with the Compliance Board, the Chief Compliance Officer verifies that the provisions of the Code of Conduct are up to date and applicable, as well as acting as the central contact for all compliance-related matters.

#### **5.4 Risk Management, Internal Control System and Internal Audit**

The Internal Control System is an important element of the Group's corporate governance designed to safeguard full and correct financial and other reporting. It is based on the risks outlined in the Risk Management System and ensures that the financial risks are mitigated by means of relevant controls. In light of the IPO TeamViewer reviewed the Internal Control System to clarify whether the Internal Control System corresponds to that of a listed company. Additions to the Internal Control System were made, and the process is due to be completed in the course of 2020.

To achieve an appropriate and holistic corporate governance structure including risk management, an Internal Control System and compliance management, TeamViewer also started to introduce an Internal Audit function at the end of the past fiscal year.

## **6. Shareholders and Annual General Meeting**

At the Annual General Meeting of TeamViewer AG, shareholders are able to exercise their rights, including their voting right. Every no-par value share grants one vote at the Annual General Meeting. The chairman of the Supervisory Board chairs the Annual General Meeting. The General Meeting passes resolutions by a simple majority of votes cast unless the Articles of Association or the law provide for a different majority or different requirements. The Annual General Meeting decides on the appropriation of distributable profit, the discharge of the members of the Management Board and Supervisory Board, the election of Supervisory Board members, amendments to the Articles of Association, the issue of new shares, convertible bonds and warrant-linked bonds and the authorisation to acquire own shares, the approval of the remuneration system, the selection of the independent auditors and, in the cases provided for in law, the approval of the annual financial statements. The next Annual General Meeting will be held on 29 May 2020 in Stuttgart. The invitation to the Annual General Meeting together with the annual report, the agenda and additional reports and documents required by law will be published on the website of TeamViewer AG on the day the meeting is convened. TeamViewer AG supports the shareholders in the personal assertion of their rights and in the representation of voting rights and appoints a representative for the exercise of voting rights which is bound by instructions.

## 7. Financial reporting and audit of financial statements

TeamViewer AG prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretation Committee (IFRS IC) as applicable in the EU, and additionally the applicable commercial and stock corporation regulations pursuant to § 315e HGB. The annual financial statements of TeamViewer AG are prepared in accordance with the principles of the HGB. The annual financial statements of TeamViewer AG, the consolidated financial statements and the Group management report which is combined with the company's management report are drawn up by the Management Board and audited by the independent auditors and the Supervisory Board. The independent auditors take part in the deliberations of the Audit Committee and the Supervisory Board about the annual financial statements and consolidated financial statements, report on the audit process and its results and are at hand to answer questions and provide additional information. The independent auditors for the fiscal year 2019 are Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (EY), Stuttgart.

## 8. Capital market communication

TeamViewer publishes all information with capital market relevance in a timely manner on the company's website at <https://ir.teamviewer.com/websites/teamviewer/English/1/investor-relations.html> in German and English.

Every quarter, TeamViewer AG reports on the business development and results of operations, net assets and financial position of the Group in its quarterly statements, half-year financial reports and annual report. It also publishes information through ad hoc and press releases. TeamViewer AG moreover provides information to investors at roadshows and in individual conversations while also being represented at various investor conferences. In addition, the Management Board is available at the Annual General Meeting to answer investors' questions.

## 9. Directors' dealings

Directors' dealings reports in accordance with Article 19 of the EU Market Abuse Regulation (MAR) are published immediately online at

[https://ir.teamviewer.com/websites/teamviewer/English/4200/director\\_s-dealings.html](https://ir.teamviewer.com/websites/teamviewer/English/4200/director_s-dealings.html).

In the fiscal year 2019, one transaction requiring reporting pursuant to Article 19 MAR was reported to TeamViewer AG. This transaction related to the purchase of 76.190 shares of TeamViewer AG by Supervisory Board member Jacob Aqraou at the time of the IPO for the price of EUR 1,999,987.50

## 10. Declaration by the Management Board and the Supervisory Board of TeamViewer AG regarding the recommendations of the Government Commission German Corporate Governance Code pursuant to Section 161 German Stock Corporation Act (Aktiengesetz)

The Management Board and the Supervisory Board of TeamViewer AG declare that TeamViewer AG has acted since its going public on 25 September 2019 and will act in the future in conformity with the recommendations of the German Corporate Governance Code in its version of 7 February 2017, published by the Federal Ministry of Justice and Consumer Protection on 24 April 2017, in the official section of the Federal Gazette (Bundesanzeiger) (hereinafter the “Code”), in each case with the following exceptions: Section 3.8 para. 3 of the Code: According to the Code’s recommendation, the D&O insurance covering the members of a supervisory board shall provide for a deductible in the amount of 10% of the loss up to at least 150% of the fixed annual remuneration of the respective member of the supervisory board. TeamViewer AG’s current D&O insurance for the members of the Supervisory Board does not include a deductible. The Management Board and the Supervisory Board are of the opinion that a deductible for the members of the Supervisory Board does not have any influence on the awareness of responsibility and loyalty of the members of the Supervisory Board with regard to their tasks and functions. Moreover, it would reduce TeamViewer AG’s ability to compete for competent and qualified members of the Supervisory Board. With regard to section 5.4.1 para. 2 sent. 1 of the Code, the Management Board and the Supervisory Board state the following: Section 5.4.1 para. 2 sent. 1 of the Code recommends that the Supervisory Board shall determine concrete objectives regarding its composition and shall prepare a profile of skills and expertise for the entire board. As a result of the repositioning of the company with the going public, the Supervisory Board prepared since the going public a corresponding profile of skills and expertise as well as concrete objectives for its composition and finally passed a resolution by way of written circulation on 22 November 2019. As a precautionary measure, the Management Board and the Supervisory Board therefore declare a deviation from Section 5.4.1 para. 2 sent. 1 of the Code until the time of the resolution. Since then, the recommendation has been complied with.

Göppingen, December 2019

The Management Board

On behalf of the Supervisory Board

Oliver Steil     Stefan Gaiser

Dr. Abraham Peled