



## **Declaration of Compliance 2019 with the German Corporate Governance Code**

On 11 December 2019, the Supervisory Board and Management Board resolved to implement the recommendations of the Government Commission on the German Corporate Governance Code in accordance with the current version of 7 February 2017, which was published in the Federal Official Gazette on 24 April 2017, with the following exceptions, and to issue the following declaration of compliance in accordance with section 161 of the AktG.

Due to the size of the company and company-specific features, init innovation in traffic systems SE complies with the recommendations of the Government Commission on the German Corporate Governance Code with the following exceptions:

### **Interaction between the Managing Board and the Supervisory Board**

The D&O insurance does not provide for an excess payable by members of the Supervisory Board of init (item 3.8 para. 3 of the Code).

init does not believe that agreeing to an excess encourages the performance and motivation of the members of the Supervisory Board and the willingness to hold this office.

### **Managing Board**

An age limit is not specified for members of the Managing Board (item 5.1.2 para. 2 of the Code).

Age limits for members of the Managing Board are not considered by init to be in the company's interests in a market that requires flexibility, special expertise and many years of experience.

### **Supervisory Board**

The Supervisory Board has not formed any committees (item 5.3.1 of the Code), an audit committee (item 5.3.2 of the Code) or a nomination committee (item 5.3.3 of the Code).

The specific conditions do not exist and init considers this impractical due to the size of both the company and the Supervisory Board (four members).

No age limit or time limit for membership has been specified for members of the Supervisory Board. The Supervisory Board has not given any specific goals for its composition (item 5.4.1 para. 2 of the Code).

In proposing future candidates at the Annual General Meeting, the Supervisory Board will take account of the legal requirements and focus exclusively on the professional and personal qualifications of the person.

init innovation in traffic systems SE

Managing Board

Supervisory Board

Karlsruhe, 11 December 2019