

A.4 Corporate Governance

A.4.1 Declaration of Corporate Governance and Corporate Governance Report

The Declaration of Corporate Governance for Bilfinger SE and the Group that is to be issued in accordance with Sections 289f, 315d of the German Commercial Code (HGB) has, in order to improve readability and avoid duplication, been combined with the report in accordance with the German Corporate Governance Code as amended on February 7, 2017 (GCGC). The explanations apply to both Bilfinger SE and the Group, unless presented otherwise.

The Declaration of Corporate Governance that has been combined with the Corporate Governance Report is also available on the company's website at <https://www.bilfinger.com/en/company/corporate-governance/declaration-of-corporate-governance/>.

Declaration from the Executive Board and the Supervisory Board of Bilfinger SE on the recommendations of the "Government Commission German Corporate Governance Code" pursuant to Section 161 of the German Stock Corporation Act (AktG)

On December 11, 2019, in accordance with Section 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board issued the following Declaration of Compliance:

"Bilfinger SE complies with all of the recommendations of the German Corporate Governance Code (GCGC) as amended on February 7, 2017, with the following exceptions:

The recommendation in Number 4.2.3 Subsection 2 Sentence 6 (limitations on the maximum amount of Executive Board remuneration in general and the variable components of that remuneration) is not followed. As part of the long-term incentive (LTI), the variable remuneration component for members of the Executive Board of the company, valid from 2015, virtual shares in the company, so-called performance share units (PSU), are allocated each year, the number of which is subject to adjustment during a three-year performance period depending on the achievement of the average ROCE target value as determined by the Supervisory Board as well as the development of the total shareholder return value (TSR value) of the company's share in relation to the TSR value of the shares of the MDAX-listed companies. The final number of units is subject to a cap which limits the final number to 150 percent of the original number of units. The share price of the company that is relevant for the value of the PSUs at the conclusion of the three-year performance period is not subject to any limitation because an upper limit in this respect contradicts the basic principle of a share-based remuneration. The Supervisory Board is authorized, however, in the case of extraordinary events or developments, especially in the case of extreme increases in the share price, to appropriately reduce the mathematical final number of PSUs.

Since issuing the Declaration of Compliance of December 13, 2018, the company has, until today's date, complied with all recommendations of the German Corporate Governance Code as amended on February 7, 2017, with the exception of the recommendation in Number 4.2.3 Subsection 2 Sentence 6."

Mannheim, December 11, 2019

For the Supervisory Board
Dr. Eckhard Cordes

For the Executive Board
Tom Blades

This Declaration of Compliance is also published on the company's website at <https://www.bilfinger.com/en/company/corporate-governance/declarations-of-compliance/> and is updated when changes occur as well as independent of any changes at least once a year. This and previous versions are available for at least five years in accordance with the German Corporate Governance Code.

Principles of corporate governance

Within the scope of our activities, we are guided by generally accepted principles of responsible corporate governance, observe the legal requirements, the provisions of the Articles of Incorporation of Bilfinger SE, our internal Group regulations and principles as well as fundamentally the recommendations of the GCGC. We apply the following principles of governance:

German Corporate Governance Code

Bilfinger attaches great importance to good corporate governance. The principles of good and responsible corporate governance guide the actions of the management and supervisory bodies of Bilfinger SE. The term 'corporate governance' as it is generally understood refers to the entire management and control system of a company, including its organization, its business management principles and guidelines as well as the internal and external monitoring and control mechanisms. A comprehensive and transparent corporate governance ensures the responsible, value-oriented and sustainable management and control of the company. It forms the foundation for sustainable business success and fosters trust among our shareholders, customers, employees, business partners and the financial markets.

Bilfinger supports the goal set out by the GCGC of enhancing the transparency and comprehensibility of the corporate governance system and fostering trust among national and international investors, customers, employees as well as the public and other stakeholders in the management and supervision of German listed and capital-market-oriented companies. Bilfinger SE complies with the recommendations of the GCGC, barring the exception listed in the above declaration issued in accordance with Section 161 AktG. Bilfinger SE also fulfills nearly all of the non-binding suggestions of the GCGC. Exceptions are the accessibility of the proxy representative of the shareholders also during the Annual General Meeting (Number 2.3.2 Subsection 2 Sentence 2 GCGC). The suggestion that shareholders should be given access to the Annual General Meeting through modern communication technology such as the Internet (Number 2.3.3 GCGC) is followed insofar as the speech of the Chairman of the Executive Board is broadcast on the Internet.

Principles of our actions

We position our business behavior toward Group-wide standards that go beyond the requirements of the law and the GCGC. They are based on our corporate values as they are laid out in our Mission Statement and the Group Principles. In this regard, integrity and safety are of utmost importance for us. To achieve a lastingly stable and thus sustainable company success on this basis, it is our goal that our business activities are also aligned with the needs of the environment and society. We have defined the most important principles in our [Code of Conduct](#), which provides all employees of Bilfinger SE and the Group with orientation for responsible, compliant and proper conduct in daily business and which is binding for all employees worldwide, including members of the boards. This relates to how we deal with each other and how we deal with customers and business partners. Among the most important principles are, on the basis of respect for law and order, fairness and responsibility. In addition to the general principles of behavior, the Code of Conduct includes, among other things, rules related to integrity as well as the handling of conflicts of interest, and prohibits corruption and discrimination of any kind. The individual topics are substantiated by corresponding Group policies. The Code of Conduct and the substantiated Group policies are regularly reviewed and adjusted for current needs and developments.

We are also a member of the [United Nations' "Global Compact"](#), an international association of companies and organizations. Its members have committed themselves, within their scope of influence and on the basis of [10 principles](#) of ethical business activity to, among other things, supporting human rights, fighting discriminatory labor and social practices, improving environmental protection, expanding the use of environmentally friendly technologies and advocating against corruption in all its forms.

Compliance

Integrity, legal responsibility and compliance are inseparable from our daily business operations. Compliance with legal and internal regulations is the basis of successful business activity and is part of good corporate governance. Our objective is to ensure that all employees worldwide always fulfill their tasks

in accordance with all applicable laws, internal policies, internationally recognized standards of behavior and voluntary commitments – because we never compromise on integrity, compliance and safety. Our comprehensive Bilfinger compliance system pursues the objective of preventing compliance violations through preventive measures, recognizing early any type of misconduct and, in the case of confirmed violations, reacting quickly and consistently punishing misconduct.

The primary objectives of our compliance program are ensuring compliance with anti-corruption regulations and with legal and regulatory requirements in general on the basis of regular risk analyses, maintaining and promoting fair competition, adhering to data protection laws, and complying with export control regulations and sanctions list audits.

To firmly and sustainably establish the Compliance Program in the company, we rely on clear and comprehensive compliance governance, which is understood and internalized by our employees, and on the smooth interaction of all control functions within the company.

The supporting of Group companies through compliance managers, training courses and regular internal communication ensures that all employees are familiar with the Code of Conduct and all relevant policies, including their amendments and updates. In addition, a Compliance Help Desk offers a central point of contact for comprehensive advice for all employees on compliance-related issues. All of our employees are required to report possible compliance violations. Such reports can also be made anonymously through the whistleblower system, which is not only available internally, but also to external third parties. Internal whistleblowers are particularly protected against reprisals. Information provided in this manner as well as other possible violations of compliance rules are first validated by the Allegation Management Office and then reviewed to determine and prove possible misconduct. Particularly serious allegations are evaluated and decided upon by an independent and cross-departmental Allegation Management Committee. An additional committee ([Disciplinary Committee](#)) sanctions misconduct and ensures the consistent application of sanctions. Findings from the investigations are also used to continually improve the compliance system as well as the effectiveness of processes and controls.

To manage and monitor the organization as well as the implementation and further development of the entire Bilfinger compliance system, there is a Compliance Review Board in place. This body consists of the members of the Executive Board as well as a number of corporate department heads and convenes at least quarterly under the chairmanship of the Chief Compliance Officer. Corporate Internal Audit & Controls verifies the implementation of the compliance management system and the implementation of the compliance policies within the scope of internal audits and separate audits from the internal control system (ICS) in the individual business units.

We formulate clear compliance requirements also for our business partners, because integrity and compliant behavior are a vital precondition for any relationship to proceed in a spirit of trust. For this reason, we work to ensure, in the selection of our direct business partners, that they comply with the laws, follow ethical principles and also operate this way in the supply chain. We review these before entering into a business relationship. For third parties classified as very risky, there are also audits conducted by Corporate Internal Audit & Controls.

The appropriateness and effectiveness of the Bilfinger Compliance System is continuously reviewed and optimized by us to ensure that regulatory requirements, market changes and the needs of our customers are taken into account. The continuing effectiveness of the Bilfinger compliance system is a top priority for Bilfinger.

Composition and working methods of the Executive Board

Bilfinger SE is a European stock corporation headquartered in Germany and is subject to the special European SE regulations and the German SE Implementation Act as well as the German SE Employee Involvement Act. It has a dual management and control structure consisting of the Executive Board and the Supervisory Board. These bodies work in close cooperation for the benefit and in the interest of the company. The third body of the company is the Annual General Meeting. At present, no use is made of the possibility of forming an advisory board, as allowed by Article 17 of our Articles of Incorporation.

The [members of the Executive Board](#) are appointed by the Supervisory Board. In the reporting year, the Executive Board had four members and, since January 1, 2020 has consisted of three members. It

manages the company in its own responsibility. Its tasks include setting the company's corporate goals and strategic focus, managing and monitoring the operating units and business of Bilfinger SE and the Group as well as implementing and monitoring an efficient risk management system and an efficient compliance system. It represents the company to third parties. Its actions are guided by the interests of the company, i.e. the interests of shareholders, employees and other groups affiliated with the company, including the public, with the aim of a sustainably increasing enterprise value. The members of the Executive Board base their actions on the legal requirements, the Articles of Incorporation, the Rules of Procedure and the Schedule of Responsibilities as well as on the other relevant regulations. In accordance with the Schedule of Responsibilities approved by the Presiding Committee of the Supervisory Board, Executive Board members are each allocated responsibility for the management of certain areas. They take joint responsibility for corporate governance, however. In addition, the Chairman of the Executive Board coordinates the work of Executive Board members. The resolutions of the Executive Board are made primarily in the regular Executive Board meetings. They may, however, also be made in extraordinary Executive Board meetings, in written procedures or through other methods of communication. The Rules of Procedure of the Executive Board or self-defined requirements require a resolution by the full Executive Board for certain transactions and actions. Approval from the Supervisory Board or one of its committees is also required for particularly significant actions and transactions in accordance with the Articles of Incorporation and Rules of Procedure. This includes, among other things, the fundamental determination and basic changes to the corporate strategy as well as the Group organization, the addition of new business segments or the discontinuation of existing business segments, the purchase and sale of investments above a certain volume as well as entering into long-term financial commitments and the issue of bonds. At regular intervals, the Executive Board reports to the Supervisory Board or its relevant committee on the strategy of the business units, the corporate planning, profitability, business development and the position of the company as well as on the internal control system, the risk management system and the compliance system.

In the reporting year 2019, 27 Executive Board meetings were convened. The Executive Board has not formed any own committees.

With regard to the composition of the Executive Board, it is incumbent on the Supervisory Board to prepare a diversity concept pursuant to Section 289f Subsection 2 No. 6 HGB. This is described in greater detail in Chapter [A.4.1](#) under [Joint diversity concept and competence profile for the cooperation between the Executive Board and the Supervisory Board](#).

Details of the remuneration of the Executive Board members can be found in the [remuneration report](#), which is part of the combined management report.

Composition and working methods of the Supervisory Board and its committees

Supervisory Board

In accordance with Article 11 of the Articles of Incorporation, the Supervisory Board of Bilfinger SE consists of 12 members, six of whom are representatives of the shareholders and six of whom are employee representatives. The shareholder representatives are elected by the Annual General Meeting. It is thereby incumbent on the Supervisory Board, in accordance with Section 124 Subsection 3 Sentence 1 AktG, to propose candidates to the Annual General Meeting. The appointment of the employee representatives is carried out by the SE Works Council in accordance with the agreement on employee participation reached between company management and the European employee representatives on July 15, 2010. With regard to the appointment of those members to be appointed by the SE Works Council, the Supervisory Board has no right to make proposals; it is – as is the case for the Annual General Meeting as well – not involved in the selection procedure for the employee representatives in the Supervisory Board. Members of the Supervisory Board all have the same rights and obligations and are not bound by instructions or orders.

The Supervisory Board advises and monitors the management of the Company by the Executive Board and is responsible for the appointment and dismissal of Executive Board members, their employment contracts and remuneration. The Supervisory Board, taking into account the external auditors and

the audit reports submitted by them, also undertakes a detailed examination, as required by law, of the individual financial statements, the consolidated financial statements and combined management report of Bilfinger SE and the Group, as well as of the proposal of the Executive Board on the appropriation of profits. In general, it receives reports from the Executive Board at regular intervals on issues provided for by law and other relevant topics. The information and reporting obligations of the Executive Board to the Supervisory Board, the Audit Committee and – between Supervisory Board meetings – to the Chairman of the Supervisory Board were defined in greater detail by the Supervisory Board in an information regulation. For transactions of fundamental importance or which were otherwise classified as particularly significant, the Articles of Association and Rules of Procedure stipulate that approval is required from the Supervisory Board or one of its committees.

The Supervisory Board executes its tasks in accordance with legal requirements, the Articles of Incorporation, its Rules of Procedure and its resolutions. The resolutions of the Supervisory Board are made primarily in Supervisory Board meetings, but can also be made in written procedures or through other methods of communication. Insofar as nothing else is compulsory under the law, Supervisory Board resolutions require the simple majority of votes cast. In the event of a tied vote and a renewed voting which also leads to a tied vote, the Chairman of the Supervisory Board has a casting vote. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board; in the reporting year 2019, there were seven meetings of the Supervisory Board. In the reporting year, in accordance with the recommendation in Number 5.6 GCGC, the Supervisory Board also reviewed the efficiency of its activities as part of an internal self-assessment using written assessment forms and, on this basis, made further improvements to the working methods already identified as efficient.

Within the context of its annual [report](#), the Supervisory Board informs the shareholders on its activities.

The current composition of the Supervisory Board and the committees formed for more efficient execution of its activities can be seen in the Chapter entitled [Boards of the Company](#). There, the mandates executed by members of the Supervisory Board in the controlling bodies of other companies as well as significant activities beyond the Supervisory Board mandate with the company are listed.

The remuneration of the members of the Supervisory Board is presented in the connected [remuneration report](#) (forming part of the combined management report).

Supervisory Board committees

In order to enhance the efficiency of its activities, the Supervisory Board in the reporting year formed a Presiding Committee, an Audit Committee, a Nomination Committee and a Strategy Committee. With the exception of the Nomination Committee, all committees have equal representation.

The Presiding Committee of the Supervisory Board, consisting of four members, includes Dr. Eckhard Cordes (Chairman of the Presiding Committee), Mr. Stephan Brückner (Deputy Chairman of the Presiding Committee), Dr. Ralph Heck and Mr. Rainer Knerler. The main tasks of the Presiding Committee include, in particular, regulating the personnel issues of the Executive Board and its remuneration, unless the provisions of the German Stock Corporation Act and the GCGC stipulate that they are to be regulated by the plenum of the Supervisory Board, as well as conflicts of interest. In this context, relevant resolutions of the Supervisory Board are prepared and recommendations for important resolutions are submitted to the Supervisory Board. In financial year 2019, six meetings of the Presiding Committee took place.

The Audit Committee, consisting of four members, includes Mr. Frank Lutz (Chairman of the Audit Committee), Dr. Janna Köke (Deputy Chairwoman of the Audit Committee), Ms. Dorothee Deuring and Mr. Jörg Sommer. In the reporting year, the committee had and continues to have an independent member in the person of Mr. Frank Lutz, who, in accordance with Section 100 Subsection 5 AktG, has expert knowledge in the areas of accounting and auditing and has particular experience in the application of internal control procedures due to his training and previous activities, including as CFO and in other audit committees. The Audit Committee deals, among other things, with questions of accounting and the monitoring of the accounting process, the effectiveness of the internal control system, the risk

management system, the internal auditing system and compliance as well as with the audit of the consolidated financial statements. It deals with the selection and the independence of the auditor, issues the audit assignment for the annual financial statements and the consolidated financial statements to the auditor elected by the Annual General Meeting, makes a fees agreement with the auditor and also reviews the additional services provided by the auditor. In the reporting year, in accordance with the recommendation in Number 5.6 GCGC, the Audit Committee also reviewed the efficiency of its activities as part of an internal self-assessment using written assessment forms and, on this basis, made further improvements to the working methods already identified as efficient. In financial year 2019, six meetings of the Audit Committee took place.

In accordance with the recommendation of the GCGC, the Supervisory Board also established a Nomination Committee consisting exclusively of shareholder representatives. The Nomination Committee, which has three members, included in the reporting year Dr. Eckhard Cordes (Chairman of the Nomination Committee), Mr. Jens Tischendorf and Mr. Frank Lutz. The committee proposes suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of shareholder representatives to the Supervisory Board. The committee convened twice in the 2019 reporting year.

The Strategy Committee, consisting of six members, includes Dr. Eckhard Cordes (Chairman of the Strategy Committee), Mr. Stephan Brückner (Deputy Chairman of the Strategy Committee), Dr. Ralph Heck, Mr. Rainer Knerler, Mr. Jens Tischendorf and Ms. Susanne Hupe. It accompanies the corporate strategy and Group organization (with the exception of personnel issues), including their fundamental implementation. In this context, it prepares any potential resolutions of the Supervisory Board and should formulate relevant recommendations for the Supervisory Board. In addition, it has responsibility for decisions on assigned legal business and transactions that require approval. The committee convened four times in the 2019 reporting year.

Which meetings of the committees each individual member participated in can be viewed in the overview in Chapter [A.3](#) under [Meetings of the Supervisory Board](#).

The resolutions of the committees were made primarily in the meetings, but partially also in written procedures or through other methods of communication. The respective chairmen of the committees reported to the plenary session of the Supervisory Board on the work done in the committees they lead.

Joint diversity concept and competence profile for the cooperation between the Executive Board and the Supervisory Board

Pursuant to Sections 289f Subsection 2 No. 2, 315d Sentence 2 HGB which took effect with the implementation of the CSR Guideline (2014/95/EU) on April 19, 2017, Bilfinger SE shall report on the diversity concept it follows for the composition of the Executive Board and Supervisory Board, its objectives, the form of its implementation and the results achieved in the reporting year. The Supervisory Board has combined the diversity concept with the requirements of the German Act on Equal Participation of and Women and Men in Executive Positions and the targets defined in the fulfillment of relevant targets for the composition of the boards in the joint competence profiles for the Executive Board and the Supervisory Board described below. The competence profiles also serve as a basis for a long-term succession planning.

Executive Board

The Supervisory Board and the Presiding Committee ensure that a long-term succession planning takes place in the Executive Board and coordinate this with the Executive Board. In particular, the Presiding Committee prepares the decisions of the Supervisory Board, develops proposals and recommendations. For an Executive Board candidate, professional qualifications for the area of responsibility to be assumed, performance to date and experience as well as integrity and convincing management qualities represent particularly important criteria. The Executive Board must, in its entirety, have the knowledge, skills and experience necessary for the orderly performance of its tasks. The objective of the requirement profile for the Executive Board of Bilfinger SE is to ensure that the composition of a strong Executive Board is as diverse and complementary as possible. As part of its decisions in the filling of Executive Board positions, the Supervisory Board also considers the following aspects,

whereby the Supervisory Board, as well as the Presiding Committee, primarily consider the fulfillment of the following competence profile and diversity concept, whereby the Supervisory Board in the filling of a specific Executive Board position always gives weight to the circumstances of each individual case and is guided by the interests of the company.

Competence profile and diversity concept

- The members of the Executive Board should have many years of management experience, also in major companies or groups and bring with them experience from various careers wherever possible.
- At least one member should have international management experience.
- The Executive Board in its entirety should also embody an international perspective in the sense of various cultural backgrounds or international experience whereby, wherever possible, at least one member of the Executive Board should be of international origin.
- At least one member of the Executive Board should have a professional background in the process industry.
- The Executive Board in its entirety should have many years of experience in the areas of services, compliance, finance and personnel management.
- Integrity should be a high priority for each individual Executive Board member.
- The Supervisory Board has defined a target for the proportion of women in the Executive Board. This is described in Chapter [A.4.1 under Act on the Equal Participation of Women and Men in Executive Positions](#).
- In accordance with the recommendation of the GCGC, the Supervisory Board has defined an age limit for members of the Executive Board at the end of the age of 65. Deviations from the age limit in individual cases are to be justified. Regardless of this rule, the Supervisory Board pays attention to a sufficient mix of ages among the members of the Executive Board.

The composition of the Executive Board as of December 31, 2019, in the estimation of the Supervisory Board, corresponds with the competence profile and diversity concept that are followed. Brief CVs of the current members of the Executive Board can be found in Chapter [A.2 Executive Board of Bilfinger SE](#). It can thus be seen that the Executive Board of Bilfinger SE has a very diverse and experienced composition. The members of the Executive Board have many years of management experience, including in groups, and bring with them experience from various careers. At least Mr. Blades has international management experience, including expertise in personnel, and has a professional background in the process industry with a focus on oil and gas. The same applies to Mr. Hall. Ms. Johansson, as an experienced financial expert, has many years of experience in the field of finance. Mr. Bernhardt, member of the Executive Board until the end of the reporting year, is an expert in the field of human resources management. Compliance and integrity are a top priority for all members of the Executive Board. No member of the Executive Board is older than 65 and there is a sufficient mix of ages and genders among the members of the Executive Board.

Supervisory Board

In terms of the composition of the Supervisory Board, it is to be ensured that its members generally have the knowledge, skills and experience necessary for the orderly execution of the office and the tasks associated with it as well as the particular requirements laid out by the law and the German Corporate Governance Code for the Supervisory Board, its committees and individual members. The objective of the requirement profile for the full Supervisory Board of Bilfinger SE is to ensure that the composition of the Supervisory Board is as diverse and complementary as possible. Pursuant to the recommendation in Number 5.4.1 Subsection 2 Sentence 1 of the GCGC, the Supervisory Board should name specific targets for its composition and develop a competence profile for the entire committee.

For its composition, it is expected that, within the framework of the specific company situation, the international activities of the company, potential conflicts of interest, the number of independent members of the Supervisory Board, an age limit that is to be defined for members of the Supervisory Board and a standard time limit for membership of the Supervisory Board as well as diversity will all be appropriately considered. The GCGC also recommends that proposals from the Supervisory Board to the Annual General Meeting take these objectives into consideration and, at the same time, that the fulfillment of the competence profile for the full Supervisory Board should be pursued. The status of the implementation shall be published in the Corporate Governance Report. In addition, the Supervisory Board, pursuant to Section 289f Subsection 2 No. 6 HGB, shall prepare a diversity concept.

Against this backdrop, the Supervisory Board within the framework of the specific situation of the company, has named the following goals for its composition, including the competence profile and diversity concept:

Competence profile

- Integrity should be a high priority for each individual Supervisory Board member.
- At least two members should, as a result of their international experience, embody to a significant extent the criterion of internationality.
- At least three members should have detailed knowledge and experience from the company itself.
- While at least one independent member of the Supervisory Board should, pursuant to the requirements of Section 100 Subsection 5 AktG, have particular knowledge and experience in the areas of accounting and auditing, a further member should have particular knowledge and experience in the area of finance and at least two more should have particular knowledge and experience in the area of business administration.
- At least two members should possess particular experience from leading positions in industrial or services companies.
- The Supervisory Board should, if possible, have, as representatives of the shareholders, three entrepreneurs or personalities who have already acquired experience in the management or monitoring of another medium-sized or large company.
- Overall, the members should be familiar with the sector in which the company operates, Section 100 Subsection 5 AktG.
- In their entirety, members of the Supervisory Board should have different educational levels, professional and socio-economic backgrounds as well as geographic presences.

Independence

- At least three members should be independent in accordance with the requirements of Number 5.4.2 Sentence 2 GCGC, therefore in particular have no personal or business relationship with the company, its bodies, a controlling shareholder or one associated with affiliated companies that could result in a significant and not merely temporary conflict of interest. In addition, they should have no consulting or management function for clients, suppliers, creditors or other business partners, nor should they hold any position which could lead to a conflict of interest.
- A maximum of two members are to be former members of the Executive Board.
- No member should exercise a management or consulting function for a significant competitor of the company.

Age limit and term of office

- The Supervisory Board pays attention to a sufficient mix of ages among the members of the Supervisory Board.
- As a rule, no member should be over 70 years of age at the time of the Annual General Meeting which is to decide on his or her appointment as member of the Supervisory Board; exceptions are to be justified.
- As a rule, no member of the Supervisory Board should remain a member for longer than three standard terms, as per the term of office specified in the Articles of Incorporation; exceptions are to be justified.

Diversity

- Overall, the members should represent a sufficient degree of diversity. In this regard, this diversity concept is to be taken into consideration for a correspondingly diverse composition.
- The Supervisory Board should have a balance of male and female members; in this regard, the statutory minimum number of women and men is to be observed.

The proposals for the election of shareholder representatives to the Supervisory Board, which are made by the Supervisory Board to the Annual General Meeting, are prepared for the Supervisory Board by the Nomination Committee. This ensures that in the review of suitable candidates, in addition to the composition goals for the Supervisory Board, the diversity concept is also considered. The Supervisory Board considers the objectives mentioned above in the resolutions it proposes to the Annual General Meeting for the appointment of shareholder representatives to the Supervisory Board on the provision that those persons whose personal and professional qualifications make them the best suited for the position be proposed. At the same time, the fulfillment of the competence profile and the diversity concept should be pursued for the full board. The implementation of the legally prescribed gender quota for the Supervisory Board remains unaffected. In this regard it should be kept in mind that the Annual General Meeting is not bound by nominations. The freedom of choice on the part of the employees in the election of Supervisory Board members from the employees is protected. In the process pursuant to the German Co-Determination Act for the election of employee representatives, the Supervisory Board has no nomination rights. The composition goals and the diversity concept for the Supervisory Board are therefore not to be seen as requirements for those entitled to vote or as a limitation of their freedom of choice.

For the above objectives for its composition, including the competence profile and the diversity concept, the Supervisory Board has not set a specific timeframe. It is expected that the concepts have been met with the current compositions in the Executive Board and the Supervisory Board. The composition of the Supervisory Board as of December 31, 2019 corresponds, in the Supervisory Board's own assessment, to the composition targets and the diversity concept.

The Rules of Procedure of the Supervisory Board call for a rule to limit the length of service on the Supervisory Board. Accordingly, as a rule, only those candidates who have not already served three full regular periods in office at the time of their election shall be proposed for election to the Supervisory Board for a full period in office. This standard period in office was only exceeded by one incumbent member of the Supervisory Board: Mr. Rainer Knerler has been a member of the Supervisory Board since 1996 and thus – as the only member of the Supervisory Board – in office longer than three regular periods in office. As a result of his long-standing experience, Mr. Knerler was once more appointed to the Supervisory Board as an employee representative by the SE Works Council on February 10, 2016. The current composition as well as length of service of the Supervisory Board and the committees formed for more efficient execution of its activities can be seen in the Chapter entitled Boards of the Company. Brief CVs of the current members of the Supervisory Board are available on the company's website under <https://www.bilfinger.com/en/company/executive-supervisory-board/supervisory-board/>. It can thus be seen from this information on the members that the Supervisory Board of Bilfinger SE has a very diverse composition.

More than the required two members of the Supervisory Board have professional experience in an international environment and particular knowledge and experience in finance. Primarily the Chairman of the Supervisory Board meets the requirements related to particular knowledge and experience in the areas of accounting and auditing as well as internal control procedures. He must be qualified as a financial expert in accordance with Section 100 Subsection 5 AktG. At least four members have detailed knowledge and experience with Bilfinger itself. None of the members of the Supervisory Board were previously active in the Executive Board of the company or hold a board function with a significant competitor. At least four shareholder representatives are experienced in the management or monitoring of another medium-sized or large company. In their entirety, members of the Supervisory Board have different educational levels, professional and socio-economic backgrounds as well as geographic presences. The members of the Supervisory Board are, as a whole, familiar with the sector in which the company operates. Compliance and integrity are a top priority for all members of the Supervisory Board. No member of the Supervisory Board is older than 70 and there is a sufficient mix of ages among the members of the Supervisory Board. The Supervisory Board has a balanced number of men and women as members. The share of women in the Supervisory Board as of December 31, 2019 was 42 percent.

Beyond the previously mentioned goals and the competence profile for the composition of the Supervisory Board, current members of the Supervisory Board possess the knowledge, skills and professional experience necessary for the orderly execution of their tasks.

In the assessment of the shareholder representatives on the Supervisory Board, the appropriate number of independent shareholder representatives in the Supervisory Board under consideration of the ownership structure is four. Ms. Dorothee Deuring, Dr. Ralph Heck, Mr. Frank Lutz and Ms. Nicoletta Giadrossi (appointed by court order from July 11, 2019; until May 8, 2019 Ms. Lone Fønss Schrøder) are categorized as independent for the purposes of the GCGC.

Act on the Equal Participation of Women and Men in Executive Positions

In relation to the law on the equal participation of women and men in executive positions in the private and public sectors and its implementation in Sections 76 Subsection 4, 96 Subsection 2 and 111 Subsection 5 AktG, we have set the following targets for Bilfinger SE for the period up until December 31, 2020. In addition, the legally required minimum share of women and men in the Supervisory Board was achieved as follows.

For the Supervisory Board, a minimum requirement as of December 31, 2020 remains the statutory gender quota of 30 percent share of women and men. This requirement was fulfilled with a share of women in the Supervisory Board of 42 percent as of the balance-sheet date of December 31, 2019.

With regard to the share of women in the Executive Board, a target of zero percent was defined for the period up until December 31, 2020. It was also determined that the Supervisory Board will attempt to find an appropriately qualified woman who would be suitable for joining the Executive Board. Since December 1, 2018, Christina Johansson has been a member of the Executive Board, which means that the requirement was exceeded as of the balance-sheet date of December 31, 2019.

With regard to management level 1, the Executive Board decided to achieve a target of a 10 percent share of women in Bilfinger SE by December 31, 2020. On December 31, 2019, the share was at 7.4 percent. For management level 2 at Bilfinger SE, the Executive Board determined to achieve a target of a 23 percent share of women by December 31, 2020. On December 31, 2019, the share was at 8.1 percent.

In addition to the legal requirements, Bilfinger adheres to the goal it set for itself of increasing the share of women in management positions worldwide in the Group to 15 percent by the end of 2020. At the end of 2019, the share was at 13 percent.

Shareholders and the Annual General Meeting

Our shareholders exercise their membership rights, in particular their right to information and voting rights, in the Annual General Meeting. The Annual General Meeting is to be convened and held at least once each year. The Annual General Meeting generally takes place within a five-month period after the

end of a financial year. The Executive Board presents certain documents to the Annual General Meeting, including the company and consolidated financial statements as well as the combined management report for Bilfinger SE and the Bilfinger Group. It decides on the appropriation of profits and on formal approval of members of the Executive Board and the Supervisory Board, elects the members of the Supervisory Board representing the shareholders, and the external auditors. In addition, decisions are made on amendments to the Articles of Incorporation and in certain other cases as specified by applicable law or the Articles of Incorporation. Each share entitles its holder to one vote at the Annual General Meeting.

Reportable transactions with financial instruments of the company

(Managers' Transactions)

Pursuant to Article 19 of the EU Directive No. 596/2014 of April 16, 2014 on market abuse (Market Abuse Directive), the members of the Supervisory Board and the Executive Board as well as other persons with management duties who regularly have access to insider information on the company and who are authorized to make significant business decisions, and certain persons who are in a close relationship with those persons are legally obliged to disclose to Bilfinger SE and the German Federal Financial Supervisory Authority (BaFin) any acquisitions and disposals of Bilfinger shares and related financial instruments, particularly derivatives, in an amount of more than €5,000 (as of January 1, 2020: €20,000) in any calendar year, as soon as possible and at the latest within three working days. We immediately publish details of such transactions on our website, among other places, at <https://www.bilfinger.com/en/company/corporate-governance/directors-dealings-with-financial-instruments-of-the-company/>.

Financial loss liability insurance

The company has taken out financial loss liability insurance, which covers the activities of the members of the Executive Board and the Supervisory Board (D&O insurance). This insurance includes at least the deductible for the Executive Board legally required by Section 93 Subsection 2 Sentence 3 AktG and at least the deductible for the Supervisory Board recommended in Number 3.8 Subsection 3 GCGC.

Mannheim, March 10, 2020

Bilfinger SE
The Executive Board

The Supervisory Board