

## CORPORATE GOVERNANCE DECLARATION IN ACCORDANCE WITH SECTIONS 289F AND 315D OF THE HGB

### Corporate governance

For Sixt SE, good and responsible corporate management and supervision (corporate governance) is an essential means of ensuring and enhancing confidence of customers, business partners and the capital market in the Company. Responsible management that focuses on long-term value creation is therefore of central importance for the Company. The basic hallmarks of good corporate governance are efficient and trusting collaboration between the Managing Board and the Supervisory Board, upholding the shareholders' interests and transparency in the corporate communication, both externally and internally.

The recommendations of the Government Commission on the German Corporate Governance Code are an established benchmark for corporate management at German listed companies. Apart from the exceptions listed in the declaration of conformity of November 2019, the Managing Board and the Supervisory Board of Sixt SE affirm their commitment to the principles of the German Corporate Governance Code in the version valid at the time of the declaration of compliance published by the German Government Commission on 26 February 2002 and most recently amended on 7 February 2017.

### Declaration of conformity in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act)

In accordance with section 161 of the AktG, the Managing Board and Supervisory Board of German listed companies are to issue an annual declaration indicating the extent to which they have complied or are complying with the German Corporate Governance Code. They must also explain which recommendations of the Code have not been or are not being applied. The Managing Board and Supervisory Board of Sixt SE have issued and published such a declaration of conformity every year since 2002. Every declaration of conformity is made available to the public for a period of five years on the Company's website at [ir.sixt.eu](http://ir.sixt.eu) under "Corporate Governance". Referring to the version of the Code valid since February 2017 the most recent declaration of conformity by the two company bodies was published in November 2019, and reads as follows:

"The recommendations of the "Government Commission on the German Corporate Governance Code" in the version of 7 February 2017 (hereinafter referred to as "Code") announced by the Federal Ministry of Justice in the official section of the Bundesanzeiger (Federal Gazette) will be and have been complied with, with the following exceptions:

- ∥ In the D&O insurance policy of Sixt SE, no deductible has been agreed for members of the Supervisory Board (section 3.8 (3) of the Code). Sixt SE believes that a deductible would not improve the motivation or sense of responsibility of the members of the Supervisory Board, especially given that the Supervisory Board members could insure any deductibles themselves.
- ∥ The individual disclosure of allowances, compensations and other pension benefits for each member of the Managing Board in accordance with the recommendations of the Code by using the model tables provided in the Code going beyond the legal requirements is not published (section 4.2.5 sentence 5 and 6 of the Code) as Sixt SE believes that such a disclosure does not enhance the clarity and comprehensibility of the remuneration report. In addition, the implementation of the second Shareholders' Rights Directive (ARUG II) will imply extensive and detailed legal requirements for the remuneration report in the future.
- ∥ The Supervisory Board decides on a case-by-case basis whether to specify an age limit when appointing Managing Board members (section 5.1.2 (2) sentence 3 of the Code), because the Supervisory Board believes that to specify a general age limit would impose a restriction on selection and would thus not be in the interests of Sixt SE.
- ∥ Since, in accordance with the Articles of Association, the Supervisory Board of Sixt SE consists of three people, no committees are formed (sections 5.3.1 to 5.3.3 of the Code).
- ∥ An age limit for members of the Supervisory Board as well as a regular limit of length of membership in the Supervisory Board are not provided for (section 5.4.1 (2) sentence 2 of the Code). Given the fact that the Supervisory Board consists of three members, of whom merely two members

are elected in accordance with the Articles of Association, any limitation on age and/or length of membership when choosing potential candidates would run counter to the interests of the Company.

- || Proposed candidates for the chair of Supervisory Board are not announced to shareholders (section 5.4.3 sentence 3 of the Code), because legal provisions stipulate that the election of the Supervisory Board chairperson is exclusively the responsibility of the Supervisory Board.
- || Sixt SE will disclose all price-sensitive information to analysts and all shareholders (section 6.1 sentence 2 of the

Code). Sixt SE believes that disclosure to all shareholders of all non-price-sensitive information given to financial analysts and similar parties would not further their interest in information.

- || The Consolidated Financial Statements are published within the statutory periods. Interim reports are published within the periods stipulated by stock exchange law. Sixt SE believes that compliance with the publication deadlines specified in section 7.1.2 sentence 3 of the Code does not benefit to any greater extent the information interests of investors, creditors, employees and the public.”

Pullach, November 2019

#### For the Supervisory Board of Sixt SE

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FRIEDRICH JOUSSEN  
Chairman

#### For the Managing Board of Sixt SE

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ERICH SIXT  
Chairman

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#### Relevant disclosures on corporate governance practices

The practices used for managing Sixt SE and the Sixt Group comply fully with statutory provisions.

Strategic and operational management of the Group is performed on the basis of planning policies and regular comprehensive reports to the Managing Board. Reporting covers the risk management system, the internal control system as well as internal audits.

The risk management system, the functioning and extent of which is documented in the risk manual, specifies several types of reports to support management with the identification, evaluation and control of risks. Among other things, the Managing Board and the Supervisory Board receive a comprehensive risk report each year. In addition, the Managing Board is regularly informed about relevant issues by the Company's functional units. The internal control system consists of control rules, measures and controls to ensure compliance with statutory provisions and corporate guidelines. It includes regular reports by the Company's Business Units, audit reports and regular working meetings relating to various topics. The internal control system relates to measures such as planned audits and

other audits, the results of which are documented in the respective audit and activity reports to the Managing Board.

#### Compliance within the Sixt Group

The success of the Sixt Group is based not only on its excellent business policy, but also on the economic integrity and the trust customers, suppliers, shareholders and business partners place in the Group. To win and keep this trust, it is a precondition that the Managing Board and the employees of the Company in any situation and continuously comply with the high standards of legislation, ethics and social skills. The Code of Conduct of Sixt SE and its affiliated companies, which is mandatory for all employees, defines these behavioural principles for the acting individuals' dealings in relation to third parties and within the Company.

To become aware of potential compliance defaults, Sixt offers its employees different reporting channels via the superior, the compliance officer or the ombudsman. The compliance officer maintains regular contact with the Managing Board and assists as well as advises the Board with respect to preventive measures.

### **Working practices of the Managing Board and Supervisory Board**

As European Stock Corporation (Societas Europaea) Sixt SE is governed by the German Stock Corporation Act, the specific European SE regulations and the German SE Implementation Act. One key principle of the Stock Corporation Act is the dualistic management system (Managing Board and Supervisory Board), which is also established for Sixt SE. Sixt SE takes due account of this principle of separate management and supervisory bodies and has different personnel in the Managing and Supervisory Boards of Sixt SE. Simultaneous membership in both bodies is not permitted. In accordance with article 7 (1) and (2) of the Company's Articles of Association, the Managing Board of Sixt SE consists of one or more members appointed by the Supervisory Board for a maximum period of up to five years. Reappointments are generally possible. In fiscal year 2019, Sixt SE's Managing Board had five members. They are responsible for basic strategic orientation, daily operations and the monitoring of risk management at Sixt SE and in the Sixt Group. The Chairman of the Managing Board of Sixt SE, Mr Erich Sixt, is also Chairman of the Supervisory Board of Sixt Leasing SE. Sixt SE is the Group's strategic and financial holding company and provides central administrative functions for various Group companies. The daily operations are managed from within the functional units of the Mobility and Leasing Business.

The members of the Managing Board perform the duties assigned to them under clearly defined portfolio responsibilities in accordance with the executive organisation chart and the rules of procedure. The Chairman of the Managing Board and Chief Executive Officer is in charge of the overall management and business policy of the Company. In addition, he also is responsible for marketing, public relations, international franchising, IT and strategic human resources management. The Chief Operations Officer is responsible for the rental business at rental offices and for the fleet, in particular the purchase and sale of vehicles as well as maintenance and repairs. Furthermore, he is accountable for such areas as customer service and quality management. The Chief Financial Officer is in control of the overall management of all the Group's finance departments, including finance and accounting, controlling, risk management as well as the legal and auditing departments. The board member for organisation and strategy is responsible for the Group strategy, M&A, central procurement, process and product management as well as

new mobility services. In addition, he is responsible for global operating human resources, as well as the management of all global service operations. The Chief Sales Officer is responsible for national and international sales as well as the Group's global e-commerce business.

Managing Board meetings, at which cross-portfolio issues are discussed, are held as and when necessary. The Managing Board did not establish any committees.

In accordance with article 10 (1) of the Articles of Association, the Supervisory Board of Sixt SE has three members. Two members are elected by the Annual General Meeting in accordance with legal provisions and the provisions of the Articles of Association. One further member of the body is appointed by the shareholder Mr Erich Sixt. The Supervisory Board elects a Chairman and a Deputy Chairman from among its members (article 12 (1) of the Articles of Association). As according to the Articles of Association, the Supervisory Board of Sixt SE consists only of three people, no committees are formed.

The Supervisory Board's main tasks include the appointment of Managing Board members and supervision of the Managing Board. As a general rule, the Supervisory Board adopts its resolutions at meetings. On instruction of the Supervisory Board Chairman, resolutions by the Supervisory Board may also be adopted outside of meetings (or by way of a combined resolution) by casting votes verbally or by telephone, in writing (section 126b of Bürgerliches Gesetzbuch (BGB – German Civil Code)) and/or by using other means of telecommunication or electronic media (article 14 (2) of the Articles of Association). Moreover, a resolution may also be validly adopted by aforementioned means without the instruction of the Chairman of the Supervisory Board if no member objects (article 14 (3) of the Articles of Association). Resolutions of the Supervisory Board require a simple majority of votes cast, unless otherwise mandatorily required by law (article 14 (7) of the Articles of Association). The Report of the Supervisory Board in this Annual Report contains further details on the meetings and activities of the Supervisory Board during financial year 2019.

The Managing Board and Supervisory Board cooperate closely for the benefit of Sixt Group. The Managing Board informs the Supervisory Board regularly, promptly and comprehensively on all matters that are relevant to the Company and the Group regarding strategic planning,

business development, the risk situation and risk management as well as the results of internal audits. To this end, the Managing Board agrees the Company's strategic orientation with the Supervisory Board and discusses the implementation of strategy at regular intervals. Documents required to make decisions, in particular the annual financial statements of Sixt SE, the consolidated financial statements, the management report on the Group's and the Company's situation, including the auditors' reports, are forwarded to the members of the Supervisory Board in good time before the respective meeting.

### **Target figures in accordance with the Act stipulating the equal participation of women and men in executive positions**

In accordance with the provisions of the Act on the Equal Participation of Women and Men in Executive Positions in the Private and Public Sector, Sixt SE defined the following target figures for the proportion of female members in the Supervisory and Managing Boards of Sixt SE as well as the first and second executive levels below the Managing Board.

The Supervisory Board determined a target figure of 0% for the proportion of women serving in the Supervisory and Managing Boards, to be implemented by 30 June 2022. As of 31 December 2019 these target figures of 0% each were met. Neither the Managing nor the Supervisory Board had any female members as of 31 December 2019.

The Managing Board has determined that the proportion of women serving on the first executive level below the Managing Board should be 15% and on the second executive level below the Managing Board 30%, both carrying an implementation period up to 30 June 2022. As of 31 December 2019 the proportion of women serving on the first executive level below the Managing Board was 16% and on the second executive level below the Managing Board 27%. Consequently, the target for the first level was already surpassed. This takes due account of the German Group companies of Sixt SE, with the exception of Sixt Leasing SE and its German subsidiaries.

### **Presentation of the diversity concept for the Managing and Supervisory Boards**

In accordance with section 289f (2) number 6 of the HGB, as part of its corporate governance declaration, the Company is obliged to disclose the diversity concepts it applies for the Managing and Supervisory Boards with regard to the various

aspects such as age, gender, educational or professional background, as well as the objectives of these concepts, the manner of their implementation and the results attained during the fiscal year.

The *Managing Board* in its entirety should have a wide range of professional expertise and views that are deemed to be of material significance for the activities of the Sixt Group.

In the opinion of the Supervisory Board, a wide range of professional expertise and views among the members of the Managing Board facilitates a good understanding of the organisational and business affairs of the Sixt Group and enables the members of the Managing Board to constructively question decisions and be open for innovative ideas.

The Supervisory Board is further of the opinion that mutually complementary professional profiles as well as different professional and educational backgrounds already follow from the duty to provide orderly business management. Furthermore, different track records and experiences among the members of the Managing Board are crucial for analysing current challenges, problems and strategies from different viewpoints and then taking the best possible decisions for the Company.

In-depth experience in IT management and a profound understanding of digitisation are indispensable for all subjects of the Company, given the increasing digitisation of business models and the high relevance of a modern IT structure, to lead the Company successfully into the future.

It is also the view of the Supervisory Board that key aspects of modern management are management experience as well as intercultural competence, both best gained in an internationally active company, to successfully lead and motivate global teams. In addition, the Managing Board should also possess in-depth knowledge of accounting, finance management and the capital markets.

As regards the age-specific stipulations, reference is made to the declaration pursuant to section 161 of the AktG, which specifies that this may be resolved on a case-by-case basis when appointing Managing Board members. As regards to the gender-specific aspects of the diversity concepts, the Supervisory Board, in accordance with the Act on Equal Participation of Women and Men in Executive Positions in the

Private and Public Sector, has defined the target figure outlined in the above paragraph.

The Supervisory Board takes the above-mentioned diversity aspects into due consideration when staffing the Managing Board. To clarify matters, it is noted that above diversity aspects are to be represented by at least one Managing Board member. The Supervisory and the Managing Boards are in regular communication regarding suitable internal and external successor candidates, in order to ensure the continued further development of the Company. In all these deliberations, the main focus is always on the Company's interests, taking due account of all circumstances of the individual cases.

The current composition of the Managing Board complies with the aspects of the diversity concept in all respects. Further details on the career and qualifications of the Managing Board members can be obtained from the Company's website at [ir.sixt.eu](http://ir.sixt.eu) under the header "Corporate Facts".

In accordance with the stipulations of section 100 (5) of the AktG, the *Supervisory Board* of capital market-oriented companies in its entirety must be familiar with the industry in which the corporation is active. Moreover, at least one member of the Supervisory Board must have professional expertise in the fields of accounting or financial auditing. Further to these stipulations, the Company's Supervisory Board has prepared a comprehensive competence profile for its composition and formulated detailed requirements regarding the overall composition of the Board and its individual members.

The Supervisory Board in its entirety should have a wide range of professional expertise and views that are deemed to be of material significance for the activities of the Sixt Group.

In the opinion of the Supervisory Board a wide range of professional expertise and views among the members of the Supervisory Board facilitates a good understanding of the organisational and business affairs of the Sixt Group. This enables the members of the Supervisory Board to question decisions taken by the Managing Board constructively as well as to be open for innovative ideas and thus contribute to the successful management of the Company.

It is the Supervisory Board's overall objective to do justice to its monitoring and advisory function by having a diverse composition. Diversity means above all internationality and different experience perspectives and biographies. Generally, the members of the Board shall complement each other's experiences and skills, so that current challenges, problems and strategies can be analysed from different perspectives, allowing decisions to be taken in the best interest of the Company. It is the Supervisory Board's objective always to be in a position to competently advise and supervise the Managing Board and adequately to appraise and accompany new developments in the industry.

As regards the age-specific stipulations as well as the regular limits for membership duration, reference is made to the declaration pursuant to section 161 of the AktG, which specifies that no limitations are provided in this respect. As regards the gender-specific aspects of the diversity concepts, the Supervisory Board, in accordance with the Act on Equal Participation of Women and Men in Executive Positions in the Private and Public Sector, has defined a target figure which is outlined in the above paragraph.

The composition of the Supervisory Board should do justice to the criteria of internationality and industry expertise by having at least one Supervisory Board member with professional experience in an internationally active company and at least one member with professional experience in one of the areas of vehicle rental, automotive industry, automotive trade, vehicle leasing or travel and tourism. In addition, at least one member should have expertise in business administration.

At least two Board members should be independent as defined in the German Corporate Governance Code to guarantee the independent monitoring and consultation of the Managing Board. According to the Supervisory Board's assessment, all current members of Sixt SE's Supervisory Board are independent.

The Supervisory Board takes due account of the aforementioned diversity aspects when submitting proposals for the election and/or the appointment of Supervisory Board members and will take due individual consideration of the extent to which different and mutually complementary professional profiles, track records and life experiences will benefit the work of the Supervisory Board.

Moreover, the Supervisory Board shall subject itself to a regular efficiency review. This review will monitor the effective execution of the tasks assigned to the Supervisory Board, including a practicability assessment of the procedural rules of the Supervisory Board's bye-laws, as well as the efficiency of the Board's work. In future, this review shall also take more account of the diversity aspects.

The current composition of the Supervisory Board complies with the aspects of the diversity concept in all respects. Further details on the career and qualifications of the Supervisory Board members can be obtained from the Company's website at [ir.sixt.eu](http://ir.sixt.eu) under the header "Corporate Facts".

#### **Employee participation programme (Matching Stock Programme)**

The Managing and Supervisory Boards of Sixt SE resolved to implement a Matching Stock Programme (MSP) for a selected group of employees, senior executives and members of the Managing Board of the Sixt Group at the Company and its affiliated companies. The programme enables employee participation in the form of shares while avoiding any dilutive effects for existing shareholders of Sixt SE.

Participants in the MSP must have a contract of employment with Sixt SE or one of its subsidiaries which has not been terminated at the time of subscribing for the MSP. To participate in the MSP, each participant must make a personal investment by acquiring interest-bearing bonds of Sixt SE.

The bonds acquired as personal investment carry a coupon of 4.5% p.a. and a maturity until 1 December 2020. The total volume invested by all participants is limited to EUR 7.0 million. The Managing Board of Sixt SE defines the maximum participation volume for each of the beneficiaries. Where the Managing Board of Sixt SE itself is concerned it does so with the approval of the Supervisory Board.

Every EUR 1,000 of paid-up subscription amount entitles to subscribe to 500 stock options per annual tranche in accordance with the MSP terms and conditions.

On each 1st of December every year from 2012 (first time) to 2018 (last time) one tranche of stock options was allocated (a total of maximum 7 tranches), so that each participant was

entitled to subscribe up to a total of 3,500 stock options (7 tranches with 500 stock options each) for every EUR 1,000 of paid-up investment volume. In the fiscal year 2019 no further tranche of stock options was allocated.

The allocated stock options can only be exercised after a lock-up period of four years, starting from the allocation of the respective tranche. The stock options can only be exercised if the exercise price since the allocation of the respective tranche is 20% higher than the initial price of said tranche (exercise threshold). The initial price of the stock options corresponds to the average unweighted closing price of Sixt preference shares in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days before the stock options for the tranche concerned are allocated. The exercise price is the average unweighted closing price of Sixt preference shares in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days before the stock options of the respective tranche are exercised. Stock options allocated as part of a tranche are deemed to have been exercised on the first trading day following the end of the four-year lock-up period, if the exercise threshold has been reached. If the exercise threshold for a tranche is not reached, the stock options of this tranche expire without replacement.

The exercise gain (before taxes) for a tranche, calculated if the stock options are exercised, must not exceed 5% of the regular earnings before taxes (EBT) reported in the most recent approved consolidated financial statements of Sixt SE. In addition, the exercise gain (before taxes) of each tranche is limited for every participant to twice his paid-up investment volume. In the case of a higher calculated exercise gain, the amount will be reduced proportionately for all participants. The remaining exercise gain, less the taxes and contributions on the exercise gain payable by the participants (net exercise gain), is used for the acquisition of preference shares of Sixt SE. These shares are subsequently transferred to a blocked custody account in the participant's favour. The participant is free to draw on the shares after another year. The total term of the MSP, including this lock-up period, is eleven years, up until 2023.

If, during the term of the MSP, adjustments are made to the share capital of Sixt SE or restructuring measures are implemented that have a direct impact on the share capital of Sixt SE and this causes the value of the stock options to change by 10% or more, the initial price shall be adjusted to

the extent necessary to compensate for the change in value of the stock options caused by the capital action. If Sixt SE distributes dividends or other assets to shareholders in the period between allocation and exercise of a tranche of stock options, the initial price of this tranche must be adjusted. For this the dividend or distribution amount attributable to one share, adjusted for the effects from capitalisation measures if applicable, is to be deducted from the initial price used to calculate the exercise hurdle of a tranche.

If the bond acquired by the participant as a personal investment is redeemed early or if the participant's contract of employment is terminated, any stock options already allocated but not yet exercised and the entitlements to any unallocated stock options are generally lost.

#### **Notification of managers' transactions**

In accordance with article 19 of the Regulation (EU) number 596/2014 of the European Parliament and the Council on market abuse (European Market Abuse Directive) members of the Managing and Supervisory Boards of Sixt SE as well as persons closely associated with them are legally required to report their own transactions with shares or bonds of Sixt SE and their related financial derivatives or other related financial instruments to Sixt SE and the Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority), as long as the aggregated total of the

transactions conducted by the respective person reaches or exceeds the sum of EUR 5,000 within a calendar year. The transaction notifications received by Sixt SE during the preceding fiscal year were duly published and can be retrieved on the website of Sixt SE at [ir.sixt.eu](http://ir.sixt.eu) under the tab "News" and "Managers' Transactions".

#### **Disclosures relating to the auditor**

On 4 June 2019, the Annual General Meeting adopted the proposal of the Supervisory Board to appoint Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, as auditor for the fiscal year 2019 for Sixt SE and the Sixt Group and as auditor for any interim financial reports/financial information of Sixt SE relating to fiscal year 2019 as well as to fiscal year 2020, valid for the period up until the Annual General Meeting 2020. Auditing companies from the Deloitte network are auditing the majority of companies included in the consolidated financial statements which require such audits. Deloitte GmbH Wirtschaftsprüfungsgesellschaft has been auditor of Sixt SE, respectively previously Sixt Aktiengesellschaft, since the annual financial statements 2005. Since the annual financial statements 2019 the auditor Klaus Löffler has been the auditor responsible for conducting the audit.