

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 (*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 pursuant to Section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code

On December 13, 2018, 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 Section 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 PSU 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 February 22, 2018, the company has, until today's date, complied with all recommendations of the German Corporate Governance Code as amended on May 5, 2015 and in its version of February 7, 2017, since it took effect, with the exception of the recommendations in Section 4.2.3 Paragraph 2 Sentence 8 and 4.2.3 Paragraph 2 Sentence 6."

Mannheim, December 13, 2018

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. 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 (Section 2.3.2 Subsection 2 Sentence 2 of the German Corporate Governance Code). The suggestion that shareholders should be given access to the Annual General Meeting through modern communication technology such as the Internet (Section 2.3.3 of the German Corporate Governance Code) 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 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 through associated Group policies with a focus on the topics of anti-corruption, gifts, entertainment events & hospitality, business and delegation travel, donations and sponsoring, conflicts of interest, competition, third-party audit and the reporting of suspicious events. 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. As was the case in previous years, Bilfinger SE, also in reporting year 2018, put substantial effort into ensuring compliance with laws and internal regulations and made significant investments in connection with compliance and the further improvement of our compliance system, and will continue to do so unabated. We never compromise on safety and integrity. Our comprehensive Bilfinger compliance system ensures that compliance violations are largely avoided ('prevent'), that potential misconduct is recognized at an early stage ('detect') and, once such misconduct is identified, that the reaction is fast and consistent ('respond').

In order to firmly and sustainably establish compliance in the company, a comprehensive compliance governance and the seamless interaction among all control functions in the company as well as an understanding and internalization among employees are necessary.

A training program and broad internal communications ensure that all employees are familiar with the Code of Conduct, with all relevant policies and their ongoing development. In addition, a Compliance Help Desk offers a central point of contact for comprehensive advice for all employees on compliance-related issues. Employees can report – also anonymously – possible misconduct using our whistleblower system if they do not wish to use the normal reporting line to their supervisor or other persons of trust. Such notifications and other potential violations of the compliance rules are reviewed and investigated by an independent Allegation Management Committee and the Allegation Management Office in order to identify and prove potential misconduct. At the same time, the findings from the investigations are used to continuously optimize the compliance system and the effectiveness of controls. A Disciplinary Committee deals with the topic of sanctions and ensures that they are applied consistently when misconduct is identified. Whistleblowers are protected from reprisals and, in addition, the whistleblower system can also be used by third parties (suppliers, subcontractors, business partners and other service providers) using our website.

To further improve compliance governance, Corporate Legal & Compliance has been strengthened in terms of staffing since 2017 and now has a total of about 100 employees throughout the Group. In addition, each of the 183 companies worldwide in the Bilfinger Group today has a responsible Compliance Manager. The Compliance, Allegation Management, Legal, Internal Control System, Risk Management and Internal Audit departments all work together closely. The three fundamental topics of the compliance system are extensively supported and managed by these departments with clear sets of responsibilities. To strengthen the independence of these compliance-relevant corporate functions from the business segments, in addition to a reporting obligation to the Executive Board for the Head of Internal Audit & Controls as well as the General Counsel & Chief Compliance Officer, there is a

reporting line to both the Chairman of the Audit Committee as well as directly to the Chairman of the Supervisory Board for special cases.

To manage and monitor the organization as well as implementation and further development of the entire Bilfinger compliance system, there is a Compliance Review Board in place. This board consists of the members of the Executive Board as well as a number of corporate department heads and convenes at least once per quarter under the chairmanship of the General Counsel & Chief Compliance Officer. The Compliance Review Board has now been supplemented by Divisional Compliance Review Boards to coordinate and monitor the implementation and further development of the compliance program in the individual divisions and regions.

In addition, the integration of the Bilfinger Compliance System and its further development in the business processes is reviewed in order to ensure the efficiency of the program and the associated measures. The Corporate Internal Audit & Controls department verifies, among other things, the implementation of compliance guidelines as part of so-called anti-corruption audits in the individual business units. In these audits, the integrity of the business unit's payment transactions is also analyzed on the basis of mass-data analyses. In the 2018 reporting year, a total of nine such audits were conducted around the world. Internal Audit & Controls conducted 25 additional audits of the Internal Control System (ICS) to determine the effectiveness of compliance-relevant controls in the operating units. Further, a program was implemented in August 2018 to audit third parties classified as high risk on site and to evaluate their compliance-related measures as well as the transparency of their financial and business documentation. Seven such audits were conducted in 2018. In addition, Internal Audit & Controls, within the scope of the DoJ Monitorship described in greater detail in the following paragraph and on top of the audits carried out by the Monitor himself, conducted six follow-up audits to review the removal of compliance-related deficiencies that were identified by the Monitor. All relevant audit reports were and will be made available to the Executive Board and the Chief Compliance Officer as well as other members of management in the form of relevant audit reports so that – where necessary – improvement measures can be implemented.

The successes the company has achieved in the area of compliance, particularly with its anti-corruption efforts in recent years, have been recognized and confirmed by the US Department of Justice (DoJ). The Deferred Prosecution Agreement (DPA) that was concluded in December 2013 with the DoJ and extended in September 2016 was ended on December 9, 2018 as planned. The independent Compliance Monitor appointed by the DoJ, Dr. Mark Livschitz, officially certified that Bilfinger has an effective compliance-management system for fighting corruption and has fulfilled its obligations within the scope of the DPA. The role of the Compliance Monitor also ends for Bilfinger with the termination of the DPA.

The entire 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 remains a priority for Bilfinger.

For us, compliance, as an indispensable part of the culture of integrity, is not merely an internal matter. 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 this within the scope of our third-party process before entering into a business relationship, whereby the intensity of the review is oriented toward the classification of the third party in a risk category.

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 law on implementing a European company 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 generally had three members and, since January 1, 2019 has consisted of four 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 general public, with the aim of 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 other relevant regulations. In accordance with the Schedule of Responsibilities approved by the Presiding Committee of the Supervisory Board, the 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 require a resolution by the entire Executive Board for certain transactions and actions. Approval from the Supervisory Board or one of its committees is 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.

In the reporting year, 40 Executive Board meetings were convened. The Executive Board has not formed any of its 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 Paragraph 2 No. 6 HGB. This is described in greater detail in Chapter *A.4.1 at Joint diversity concept and competence profile for the cooperation between the Executive and Supervisory Boards*.

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

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. Decisions of fundamental importance for the company require the approval of the Supervisory Board or one of its committees. The Supervisory Board, taking into account the external auditors and the audit reports submitted by them, 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.

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 reporting year 2018 there were 11 meetings of the Supervisory Board.

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 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 *remuneration report* as part of the 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 Transformation Committee. As of December 13, 2018, the Transformation Committee was replaced by the newly-formed Strategy Committee.

The Presiding Committee of the Supervisory Board consists of Dr. Eckhard Cordes (Chairman of the Presiding Committee), Stephan Brückner (Deputy Chairman of the Presiding Committee), Dr. Ralph Heck and 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 the reporting year, the Presiding Committee was also responsible for decisions on certain business dealings and transactions assigned to it. With the establishment of the Strategy Committee on December 13, 2018, the Supervisory Board transferred decision-making responsibility for certain business dealings and transactions to the Strategy Committee. Since then, the Presiding

Committee focuses on personnel issues of the Executive Board and its remuneration. In financial year 2018, five meetings of the Presiding Committee took place.

In the reporting year, the Audit Committee consisted of Dr. Marion Helmes until May 12, 2018 (Chairwoman of the Audit Committee), Mr. Frank Lutz from May 12, 2018 (Chairman of the Audit Committee), Dorothee Deuring, Dr. Janna Köke and Jörg Sommer. It 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. The Audit Committee 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. With members Dr. Marion Helmes (until May 12, 2018) and Frank Lutz (from May 12, 2018), the committee has always included an independent member who, in accordance with Section 100 Subsection 5 of the German Stock Corporation Act (*AktG*), possesses expertise in the areas of accounting and auditing and who has particular experience in the application of internal control procedures. In financial year 2018, six meetings of the Audit Committee took place.

In accordance with the recommendation of the GCGC, the Supervisory Board also formed a Nomination Committee made up exclusively of shareholder representatives whose purpose it is to recommend suitable candidates to the Supervisory Board for its own recommendations to the Annual General Meeting. The Nomination Committee includes Dr. Eckhard Cordes (Chairman of the Nomination Committee), Jens Tischendorf as well as Dr. Marion Helmes until May 12, 2018 and Frank Lutz since December 13, 2018. The committee did not convene in reporting year 2018, but undertook the written adoption of a resolution.

The Transformation Committee was tasked with the further development of the strategic positioning and transformation of the Bilfinger Group and, without its own decision-making authority, making relevant recommendations to the Supervisory Board where necessary. The Committee, which has equal representation, includes Dr. Eckhard Cordes (Chairman of the Transformation Committee), Stephan Brückner (Deputy Chairman of the Transformation Committee), Dr. Ralph Heck, Rainer Knerler, Jens Tischendorf and Susanne Hupe. The Committee held six meetings in 2018. On December 13, 2018, the Transformation Committee was disbanded and a new Strategy Committee was established.

The relevant Strategy Committee, which was formed on December 13, 2018, has the same members as the Transformation Committee which was simultaneously disbanded. 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 assumed responsibility from the Presiding Committee for decisions on assigned legal business and transactions that require approval. The committee consists of six members and has equal representation; it did not convene for any meetings in 2018.

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 and Supervisory Boards

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 law on the full and equal participation of men and women in management positions and the targets defined in the fulfillment of relevant targets for the composition of the boards in the joint competence profile for the Executive Board and the Supervisory Board described below. The competence profiles also serve as a basis for 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. When filling these positions, the Supervisory Board and Presiding Committee pay particular attention to diversity in the entire Executive Board. When deciding on the filling of Executive Board positions, the Supervisory Board and the Presiding Committee in their preparations 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.
- 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 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 at Law on the full and equal participation of men and women in management 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 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, 2018, 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 the 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 and has a professional background in the process industry with a focus on oil and gas. The same applies to Mr. Hall who was appointed to the Executive Board on January 1, 2019.

Dr. Patzak, who left the company on September 30, 2018, had many years of experience in the area of finance; the same applies to his successor, Ms. Johansson, who, as an experienced financial expert, took over as Chief Financial Officer on December 1, 2018. Mr. Bernhardt is an expert in the area of personnel management. Compliance and integrity are of great importance for all Executive Board members, including Mr. Hall, who was newly-appointed on January 1, 2019. 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. Pursuant to the recommendation in Number 5.4.1 Paragraph 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 to 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 Paragraph 2 Number 6 HGB, shall prepare a diversity concept.

Against this backdrop, the Supervisory Board within the framework of the specific situation of the company, has defined 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 criteria 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 Paragraph 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 Section 5.4.2 Sentence 2 of the German Corporate Governance Code, 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

suitable 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 committee. 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 to be expected that with the current composition in the Executive Board and the Supervisory Board the concept has been met. The composition of the Executive Board as of December 31, 2018 corresponds, in the Supervisory Board's own assessment, with the composition targets and the diversity concept with the following exception. Mr. Rainer Knerler has been a member of the Supervisory Board since 1996 and thus – as the only member of the Supervisory Board – has been 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 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 at <https://www.bilfinger.com/en/company/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 previous and the current Chairman of the Supervisory Board meet the requirements related to particular knowledge and experience in the areas of accounting and auditing as well as internal control procedures. They are qualified as financial experts in accordance with Section 100 Paragraph 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, 2018 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 Supervisory Board, the appropriate number of independent shareholder representatives in the Supervisory Board under consideration of the ownership structure is four. Dorothée Deuring, Dr. Ralph Heck, Frank Lutz (until May 12, 2018 Dr. Marion Helmes) and Lone Fønss Schrøder are categorized as independent for the purposes of the GCGC.

Law on the full and equal participation of men and women in management positions

In relation to the law on the equal participation of women and men in management positions in the private sector and in the civil service and its implementation in Sections 76 Paragraph 4, 96 Paragraph 2 and 111 Paragraph 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 has been fulfilled with a share of women in the Supervisory Board of 42 percent as of the balance-sheet date December 31, 2018.

With regard to the share of women in the Executive Board, the target is zero percent. It was also determined that if a vacancy should become available by December 31, 2020, the Supervisory Board will attempt to find an appropriately qualified woman who would be suitable for joining the Executive Board. On December 1, 2018, Christina Johansson was appointed to the Executive Board, which means that the requirement was exceeded as of the balance-sheet date December 31, 2018.

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, 2018, the share was at 6 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, 2018, the share was at 19 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 2018, the share was at 10 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 (Manager's Transactions)

Pursuant to Article 19 of the EU Directive number 596/2014 of April 16, 2014 on market abuse (Market Abuse Directive), the members of the Supervisory Board and 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 in any calendar year, as soon as possible and at the latest within three working days. We immediately publish details of such

transactions on the company's 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 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 of the German Stock Corporation Act and at least the deductible for the Supervisory Board recommended in Section 3.8 Subsection 3 of the German Corporate Governance Code.

Mannheim, March 8, 2019

Bilfinger SE
The Executive Board

The Supervisory Board