

# Report of the Supervisory Board

The Supervisory Board of CompuGROUP Holding AG carried out its duties under the law and its articles of association during 2009. The Supervisory Board regularly advised the Management Board in its management of the company and supervised the company's management team. The Supervisory Board was directly involved in all decisions of major significance to the company.

The Management Board informed the Supervisory Board regularly, comprehensively and promptly by means of verbal and written reports on all issues of relevance to corporate planning and strategic development, the course of business, the general situation of the group including any risks, and risk management.

The Supervisory Board obtained regular reports from the Management Board as to measures taken to improve results and possible, planned and completed company acquisitions. Deviations from the business plans and targets were explained to us in detail.

The Supervisory Board formed an audit committee from among its members whose chairman is the chairman of the Supervisory board. The audit committee held three meetings in total in the year under review and prepared the resolutions of the Supervisory Board. The Supervisory Board was regularly informed of the work of the audit committee.

The Supervisory Board held four ordinary meetings in the year under review. Furthermore, seven decisions were also taken in telephone conferences and in written procedures.

The 2009 financial statements of CompuGROUP Holding AG, the consolidated financial statements for 2009 and the reports of the Management Board were explained in the presence of the auditor in the meeting held for the purposes of approving the annual accounts. The annual financial statements of CompuGROUP Holding AG were approved and the consolidated financial statements were adopted. Further activities, plans and financings for the 2010 financial year were also presented to the Supervisory Board.

The Supervisory Board discussed compliance with the recommendations concerning the German corporate governance code and agreed to the statement of compliance issued by the Management Board. The statement of compliance was made permanently available to shareholders on the company's website.

The Supervisory Board was regularly informed on possible acquisitions in Germany and abroad during telephone conferences, meetings and in written form and approved the proposals put forward by the Management Board.

In August 2000 Mr. Jan Broer was reappointed to the Management Board until 31 December 2010. In November 2009, Mr. Uwe Eibich was reappointed to the Management Board until 31 December 2012.

In the year under review, the Supervisory Board discussed the new requirements of the German Act on the Appropriateness of Management Board remuneration and carried out an efficiency review on the work of the Supervisory Board.

The Management Board presented CompuGROUP's budget for 2010 to the Supervisory Board, which approved it.

The Supervisory Board received in due time the 2009 annual financial statements, the consolidated financial statements and the annual report of the AG and of the group that were prepared by the Management Board as well as the Management Board's recommended appropriation of net profit for the year and the corresponding auditor's reports. The audit committee also reviewed the documents in advance and prepared the respective resolution. At the meeting of the Supervisory Board held in March 2010 to approve the annual accounts, the auditors of PricewaterhouseCoopers AG (PWC), Frankfurt, answered all the questions of the Supervisory Board in person.

The auditors (PWC) elected by the Annual General Meeting and appointed by the Supervisory Board, audited the annual financial statements for CompuGROUP Holding AG, the consolidated financial statements and the respective annual reports of the AG and of the group for the year ended 31 December 2009, including accounting records, in accordance with statutory provisions and issued an unqualified audit opinion thereon.

The Supervisory Board took note of the audit's findings and did not raise any objection. In accordance with § 171 AktG, the Supervisory Board reviewed and adopted the annual financial statements of the parent company and the group, the annual reports of CompuGROUP Holding AG and the group, the Management Board's recommended appropriation of net earnings for the year and the risk management report. The financial statements of CompuGROUP Holding AG are therefore approved. The consolidated financial statements were adopted.

The Management Board submitted the report prescribed by § 312 AktG concerning relationships with related companies (dependency report) to the Supervisory Board together with the declaration required by § 312 Para. 3 AktG. The aforesaid auditor has checked the dependency report and issued the following certificate confirming the results of the audit:

"We have reviewed that

1. the actual details in the report are correct,
2. the payments made by the company were not unreasonably high for the legal transactions listed in the report."

The Supervisory Board noted and approved the result of the audit and reviewed the dependency report. Following the final results of the review by the Supervisory Board, no objections are raised either against it or against the Management board's declaration at the end of the dependency report.

The Supervisory Board would like to thank all the members of the Management Board and the employees of CompuGROUP Holding AG and those of its affiliated undertakings for their commitment and the work performed.

Koblenz, March 2010

The Supervisory Board



**Professor Dr. Klaus Steffens**  
Chairman

# Corporate Governance Report

The actions of CompuGROUP's Management Board and Supervisory Board are based on the principles of good and responsible corporate governance. In this statement, the Management Board – also acting on behalf of the Supervisory Board – provides its report on corporate governance in the Company pursuant to sub-section 3.10 of the German Corporate Governance Code (GCGC) and pursuant to section 289a (1) of the German Commercial Code (HGB).

## Declaration of conformity

This declaration of conformity relates to conformity with the recommendations of the GCGC in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act).

Since the last declaration of conformity dated March 2009, CompuGROUP Holding AG has conformed with the recommendations of the GCGC as amended on June 6, 2008, subject to the deviations mentioned in the aforesaid declaration.

In the future, CompuGROUP Holding AG will conform to the recommendations of the GCGC as amended on June 18, 2009, with the following exceptions:

According to Section 5.1.2 of the GCGC, an age limit for members of the Management Board shall be specified. CompuGROUP does not comply with this recommendation and has no age limit for its Management Board members. The company does not see age as a relevant criterion to evaluate the performance and ability of its corporate officers.

According to Section 5.3.3 of the GCGC, The Supervisory Board shall form a nomination committee composed exclusively of shareholder representatives which proposes suitable candidates to the Supervisory Board for recommendation to the General Meeting. CompuGROUP does not comply with this recommendation as has no nomination committee. It is not considered necessary to constitute a separate nomination committee as a working procedure has been established for the Supervisory Board to carry out the duties of a nomination committee in close cooperation with the largest shareholders of CompuGROUP.

According to Section 5.4.1 of the GCGC, an age limit for members of the Supervisory Board shall be specified. CompuGROUP does not comply with this recommendation and has no age limit for its Supervisory Board members. The company does not see age as a relevant criterion to evaluate the performance and ability of its Supervisory Board members.

According to Section 5.4.6 of the GCGC, Members of the Supervisory Board shall receive fixed as well as performance-related compensation. Performance-related compensation should also contain components based on the long-term performance of the enterprise. CompuGROUP does not comply with this recommendation and has only a fixed compensation of the members of the Supervisory Board. All Supervisory Board members are expected, regardless of their compensation, to perform their tasks with the highest level of engagement with focus on the company's long-term success.

According to Section 7.1.2 of the GCGC, the company shall publish the annual group financial report within 90 days after the closing period. According to the financial calendar for 2010, the company intends to publish the group financial report on 15 April 2010. The company considers this a sufficient time frame.

Furthermore, section 7.1.2 of the GCGC recommends the publication of quarterly reports within 45 days after closing of the reporting period. CompuGROUP does not comply with this recommendation regarding the publication of the Q3-report. As in recent years, the company intends to publish its Q3-report in the course of Medica in Düsseldorf, one of the world's largest medical fairs, on 17 November 2010.

Koblenz, March 2010



**Professor Dr. Klaus Steffens**  
Chairman, Supervisory Board



**Frank Gotthardt**  
Chairman, Management Board

### **Significant Corporate Governance practices beyond the legal requirement**

CompuGROUP acknowledges the obligation to behave as a responsible member of society. Our business is based on trust and we are daily dealing with issues related to health care safety, patient privacy and public procurement processes. CompuGROUP's business activities will always comply with applicable laws and regulations and act in an ethical and socially responsible manner. This ethical foundation in some instances result in CompuGROUP's corporate governance principles to go beyond the requirements of law and the recommendations of the GCGC. There are written instructions with ethical guidelines which apply to all our staff, and to all those who act on CompuGROUP's behalf. We also expect our suppliers and partners to have ethical guidelines in their own enterprises, which are consistent with CompuGROUP's ethical values. The documents describing the CompuGROUP guidelines are permanently available from our website at [www.compugroup.com](http://www.compugroup.com).

### **Approach adopted by the management and supervisory boards**

CompuGROUP Holding AG is a company under German law, which also represents the basis of the GCGC. One of the fundamental principles of German stock corporation law is the dual management system involving two bodies, the Management Board and the Supervisory Board, each of which is vested with independent competences. CompuGROUP Holding AG's Management Board and Supervisory Board cooperate closely and confiding in managing and monitoring the Company.

The Management Board is responsible for managing the enterprise. Its members are jointly accountable for the management of the enterprise. The Chairman of the Management Board coordinates the work of the Management Board and is also the group Chief Executive Officer (CEO). Underneath the CEO, the organizational design is a regional-functional matrix organization with senior executives reporting directly to the group CEO. This structure is supported by a detailed governance model that determines the way in which CompuGROUP operates. Two members of the Management Board are assigned to the regional line organization as Executive Vice Presidents and overall responsible for the regions of Central Europe and Southern Europe respectively. The remaining two Management Board members are assigned to the functional organization as Chief Financial Officer (CFO) and Chief Medical Officer (CMO). All members of the Management Board meet on a weekly basis to discuss a broad set of issues ranging from daily operations to the group strategy. The Management Board together with all regional managers compose the Strategic Management Group, which meets about 10 times per year to harmonize operations and ensure knowledge sharing across geographies and functions.

CompuGROUP supports the concept of an effective Supervisory Board in line with the company's needs for expertise, capacity, balanced decision-making and ability to independently evaluate the company's activities and the conduct of its management.

The Supervisory Board appoints, supervises and advises the members of the Management Board and is directly involved in decisions of fundamental importance to the enterprise. The chairman of the Supervisory Board coordinates the work of the Supervisory Board.

The duties of the Supervisory Board and its committees are regulated in the Articles of Association. In addition, the Supervisory Board has adopted terms of reference governing its work. The Supervisory Board does not comprise any former Management Board members. It comprises a sufficient number of independent members not maintaining any personal or business relationship with the Company or its Management Board. Supervisory board meetings are generally held 6 to 8 times per year, and during at least one of these meetings the corporate strategy is up for review. Every month, the Supervisory Board receives a financial review, management reports and forward-looking analysis. The Supervisory Board regularly reviews the efficiency of its work. The last efficiency review took place in November/December 2009. The efficiency of the Supervisory Board's work, including its cooperation with the Management Board, was determined on the basis of a list of questions and a subsequent discussion at a Supervisory Board meeting.

The Supervisory Board has established one committee from among its members: The Audit Committee consists of the Chairman of the Supervisory Board, one shareholder representative, and one employee representative. The Supervisory Board has appointed its Chairman, Dr. Klaus Steffens, as the independent Audit Committee financial expert. The Audit Committee monitors the Company's financial reporting process, discusses and examines annual consolidated financial statements and management reports prepared by the Management Board, as well as the quarterly financial reports. Based on the independent auditors' report, the Audit Committee gives recommendations with respect to the approval of the annual financial statements and the consolidated financial statements by the Supervisory Board. Furthermore, the Audit Committee engages the independent auditors elected at the General Shareholders' Meeting to audit the annual financial statements and the consolidated financial statements, determines the key audit areas, and is responsible for determining the independent auditors' compensation.

The Management and Supervisory Board members are obliged to act in CompuGROUP Holding AG's best interests. In the completed financial year, there were no conflicts of interest requiring immediate disclosure to the Supervisory Board. None of the Executive Board members of CompuGROUP Holding AG sat on more than three Supervisory Boards of listed non-Group companies.

### **Compensation of the Executive Board and Supervisory Board**

CompuGROUP Holding AG complies with the recommendations of the GCGC to provide details of the compensation of each individual member of the Executive Board and Supervisory Board. The principles of the compensation systems and compensation amounts are outlined in the Compensation Report, which is part of the management report.

### **Risk management**

Good corporate governance entails the responsible handling of company risks. The Management Board of CompuGROUP use general and company-specific reporting and monitoring systems to identify, assess and manage these risks. These systems are continually developed and adjusted to match changes in overall conditions. The risk management systems are reviewed by the auditors.

The Management Board regularly informs the Supervisory Board about existing risks and the development of these risks. The Audit Committee deals in particular with monitoring the accounting process, including reporting, the efficiency of the internal control system, risk management and the internal auditing system, compliance and audit of the annual financial statements.

More detailed information about CompuGROUP's risk management is presented in the Risk Report. It also contains the report on the accounting-related internal control and risk management system required in accordance with the German Accounting Modernization Act.

### **Accounting and auditing**

CompuGROUP Holding AG prepares its consolidated financial statements in accordance with the provisions of the International Financial Reporting Standards (IFRS) as applicable in the European Union. The annual financial statements of CompuGROUP Holding AG are prepared in accordance with the German Commercial Code (HGB). The consolidated financial statements are prepared by the Management and audited by the auditors and the Supervisory Board. The interim reports are discussed between the Audit Committee and the Management Board prior to publication.

The consolidated financial statements and the financial statements of CompuGROUP Holding AG were audited by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt, the auditors elected by the 2009 Annual General Meeting. The audit was based on German auditing rules, taking account of the generally accepted auditing standards issued by the German Auditors' Institute as well as the International Standards on Auditing. It also covered risk management and compliance with reporting requirements concerning corporate governance pursuant to section 161 of the German Stock Corporation Act.

In addition, a contractual agreement was concluded with the auditors to the effect that the auditors will immediately inform the Supervisory Board of any grounds for disqualification or partiality as well as of all findings and events of importance arising during the performance of the audit. There was no ground to provide such information in the framework of the audit of the financial year 2009.

### **Stockholders and Annual General Meeting**

The shareholders of CompuGROUP exercise their rights in general meetings. The annual general meeting takes place during the first six months of the business year. The Chairman of the Supervisory Board is the chair of the general meeting. The general meeting performs all duties assigned by the law.

Our aim is to make the participation in general meetings as easy for the stockholders as possible. Thus, all reports and documents necessary to the participation, including the Annual Report, are published in an easily accessible way on the company's Internet site together with the agenda. The Management Board arranges for the appointment of a representative to exercise shareholders' voting rights in accordance with instructions.

### **Transparency**

A standardized, comprehensive and prompt information flow is highly valued in CompuGROUP Holding AG. CompuGROUP's business situation and results will be outlined in the annual report, in the quarterly reports, at the annual investor and analyst conference and regular conference calls.

Furthermore, press releases or, if legally required, ad hoc-announcements will also provide information. All announcements and reports are available on the Internet at [www.compugroup.com](http://www.compugroup.com) under the section Investor Relations.

CompuGROUP Holding AG has prepared the required directory of persons with insider information (insider list). The affected persons are informed about the legal obligations and penalties.

# Auditor's Report

We have audited the consolidated financial statements prepared by the CompuGROUP Holding Aktiengesellschaft, Koblenz, comprising the statement of financial position, the statement of comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from 1 January to 31 December 2009. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and/or the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU [, / and] the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 4 March 2010

PricewaterhouseCoopers  
Aktiengesellschaft  
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