

Luxempart S.A.: Public letter to the shareholders of SNP SE on the occasion of the Annual General Meeting on May 23, 2023

Luxempart S.A., the second-largest shareholder of SNP Schneider-Neureither & Partner SE with more than 10 percent of the shares (ISIN DE0007203705, WKN 720370), today published a public letter to the current shareholders of SNP SE on the occasion of the Annual General Meeting of SNP SE on May 23, 2023:

Dear Fellow Shareholders of SNP SE,

We are writing to you today on behalf of Luxempart S.A., which currently holds more than 10 percent of the shares in SNP SE, making it the company's second-largest shareholder. Luxempart is backed by long-standing family shareholders who have been entrepreneurial for more than 100 years. With a net asset value of EUR 2.2 billion, we make long-term and significant investments in private and listed companies. We are committed to supporting these companies, often combined with a seat on the supervisory board or board of directors.

At the forthcoming Annual General Meeting of SNP on May 23, 2023, at the request of a fellow shareholder, a resolution is to be passed on the change of the management system from a one-tier system to a two-tier system (agenda item 5). The current Board of Directors and the current Managing Directors are therefore to be replaced by a Supervisory Board and a Management Board. As a result, three of the four current members of the Board of Directors are to be dismissed.

We oppose such structural change at this stage. Although there may well be arguments in favor of such a move in the long term, we believe that it is not the right time to do so. For this reason, we will vote against this motion at the Annual General Meeting with all our voting rights. We thus share and support the view of the Board of Directors, which also opposes a change in the management system at this stage.

The reasons for our vote against the change in the management system (agenda item 5) are as follows:

- We stand behind the current Board of Directors based on its performance since 2021. The Board of Directors has initiated numerous changes and taken important decisions, paving the way for a successful future for SNP. This includes, among other things, the re-assessment and increase of transparency on financial issues, compliance and reporting, as well as the appointment of the new CEO Jens Amail and the future CFO Andreas Röderer, both of whom we regard as personally and professionally very suitable.
- SNP is undergoing a transformation and has only been led by its new CEO Jens Amail for just over three months. The new CFO will take office in September at the latest. Installing an almost completely new supervisory board at this critical stage would eliminate any continuity at the management level. The stability provided by the well-functioning Board of Directors enables the management team to fully focus on the necessary operational and strategic improvements of SNP.

- As an investment company with a long-term investment horizon, we are convinced that good corporate governance is a key to sustainable corporate success. In this important transformation phase, we therefore do not consider it expedient to jeopardize the well-functioning and successful collaboration of the Board of Directors by fundamentally changing the management system. Especially since the competency profiles of the current Board of Directors are highly complementary. It should also be noted that due to its extensive capital market experience the Board of Directors can assist the management whenever the need arises.

If the company were to strive for a change from a one-tier to a two-tier management system in the future, we would also expect a structured selection process for candidates for the Supervisory Board in line with good corporate governance. This process should be specifically tailored to the skills and competencies required in such corporate body. In our view, the persons proposed in the motion (agenda item 6) do not meet the required profile for various reasons.

On the other hand, we support the amendment to the Articles of Association proposed by the Board of Directors on the composition and expansion of the Board of Directors (agenda item 10 and agenda item 11) and, if the Annual General Meeting approves these points, the election of the candidate Dr. Andrea Rösinger proposed by the Board of Directors. Based on her many years of international management experience in the software industry, we believe she would be ideally suited to replace the technological expertise of Prof. Claus Heinrich, who left the company in September 2022, on the Board of Directors. In addition, the amendment to the Articles of Association also allows managing directors to be candidates for the Board of Directors in the future.

Furthermore, on a positive note, we would like to point out that the Audit Committee of the Board of Directors has properly dealt with the compliance case, which led to a correction of the financial statements for 2019 in 2021. As a shareholder of SNP, we would welcome it if the company could settle the resulting lawsuit against the community of heirs of Dr. Andreas Schneider-Neureither in connection with the property in the USA (see Annual Report 2022, page 17/18) amicably out-of-court and in the near future in order to put an end to the matter.

In the coming weeks, we will also seek the dialogue with our fellow shareholders on the points listed above. In addition, we will continue to offer SNP our constructive support in the best interest of the company, its employees and shareholders. After all, successful business development and an increasing stock price are in the interest of all parties.

Yours sincerely,

John Penning
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Luxempart S.A.

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