

CORPORATE GOVERNANCE REPORT

(INCL. DECLARATION ON CORPORATE GOVERNANCE)

Corporate governance stands for responsible, transparent corporate management and control geared to long-term value creation. In the following Declaration on Corporate Governance pursuant to Section 289f of the German Commercial Code (HGB) and the Corporate Governance Report pursuant to Section 3.10 of the German Corporate Governance Code (GCGC) the Executive Board reports - also for the Supervisory Board - on corporate management and corporate governance at MeVis Medical Solutions AG. The declaration contains the current Declaration of Conformity pursuant to section 161 of the German Stock Corporation Act (AktG) and the German Corporate Governance Code (GCGC), relevant details of corporate governance practices as well as a description of Executive Board and Supervisory Board procedures.

DECLARATION OF CONFORMITY PURSUANT TO SECTION 161 AKTG TO THE GCGC

The Executive Board and Supervisory Board of MeVis Medical Solutions AG declared on September 9, 2019, pursuant to Section 161 of the German Stock Corporation that the recommendations of the "German Corporate Governance Code Government Commission" in the version of February 7, 2017 have been and will in future be met with with the following exceptions:

- There are currently no plans to include a deductible within the D&O Insurance for the Supervisory Board (section 3.8 GCGC). In principle, MeVis Medical Solutions AG does not believe that the commitment and responsibility with which the Supervisory Board members carry out their duties will be influenced by a deductible.
- According to section 4.2.1 sentence 1 GCGC, the Executive board shall be composed of several persons and shall have a chairperson and a spokesperson. Since April 1, 2019, the Executive Board of the Company consists of only one member. Due to the scope of the Company's business activities and its size, the Supervisory Board does not believe that the Company needs an Executive Board consisting of several persons. Accordingly, there is also no chairperson or spokesperson.
- Pursuant to section 4.2.3 GCGC, the monetary remuneration components of the Executive Board remuneration shall comprise fixed and variable components. The Supervisory Board has decided to abolish the variable compensation component as of the beginning of fiscal 2017/2018. This was done because the members of the Executive Board are also members of the Executive Board of Varex Imaging Deutschland AG, which holds a majority interest in the Company and with which a domination and profit and loss transfer agreement exists. At Varex Imaging Deutschland AG, the members of the Executive Board receive variable remuneration based on the Group's success. As a result of the domination and profit and loss transfer agreement, the Company's success is no longer an indicator of the success of the managerial performance, so the variable remuneration no longer seemed to be meaningful to the Supervisory Board.
- There are currently no caps on severance payments in Executive Board contracts (Section 4.2.3 GCGC). The Supervisory Board is of the opinion that existing Executive Board contract regulations are reasonable. Having a cap on severance payments also runs counter to our basic understanding of an Executive Board contract, that is concluded to cover the full term of the member's appointment and does not in principle provide for the possibility of ordinary termination by notice.
- The Supervisory Board of the Company currently abstains from the formation of committees with sufficient expertise (Section 5.3.1 GCGC); in particular there has been no formation of an audit committee (Section 5.3.2 GCGC) nor a nomination committee (Section 5.3.3 GCGC). Due to the specific circumstances of the company, and especially the size of the Supervisory Board of the MeVis Medical Solutions AG, the Supervisory board does

not believe that the formation and appointment of such committees as stipulated by the code is necessary or appropriate.

- According to Section 5.4.2 of the GCGC (German Corporate Governance Code) the Supervisory Board shall include an appropriate number of independent members. The Supervisory Board consists of three members. Since the previous Supervisory Board election, all Supervisory Board seats are filled with persons who are employed by companies of Varex Imaging Corporation Group. The Varex Imaging Corporation currently holds the majority of shares in the Company via the Varex Imaging Deutschland AG. Deviating from Section 5.4.2 of the GCGC the Supervisory Board includes no independent members. For this reason, a number of independent members cannot be taken into account when naming the objectives for the composition of the Supervisory Board pursuant to section 5.4.1 of the GCGC. The Company considers the complete occupation of the Supervisory Board with members that are employed by companies of the majority shareholder as appropriate in view of the integration of the company into the Varex Group.
- Pursuant to a shareholders resolution dated June 7, 2016 and the corresponding amendment to the bylaws the Supervisory Board members receive no remuneration by the Company for fiscal years after January 1, 2016. As a purely precautionary measure, it is pointed out that accordingly as opposed to section 5.4.6 para. 1 sentence 2 of the GCGC the Chair and Deputy Chair positions in the Supervisory Board are not reflected in the remuneration and as opposed to section 5.4.6 para. 3 sentence 1 of the GCGC no Supervisory Board remuneration can be reported individually in the notes or management report.
- MeVis Medical Solutions AG is deviating from the recommendations with regards to the publication terms of the Financial Statements and Interim Reports (Section 7.1.2 Phrase 4 GCGC). The Company considers the current regulations of the Frankfurt Stock Exchange for issuers listed in the Regulated Market (Prime Standard segment) to be adequate. These require companies to publish consolidated financial statements within deadlines that are longer than those contained in the Code.

BODIES OF THE COMPANY

The Executive Board, Supervisory Board and shareholders' meeting are the bodies of the Company according to law and statutes. As a public company, the MeVis Medical Solutions AG has a dual management system, which is characterized by a clear separation between the Executive Board, as the management body and the Supervisory Board as the supervisory body.

EXECUTIVE BOARD AND ITS PROCEDURES

The Executive Board manages the Company on its own responsibility with the aim of creating sustainable value. It runs the Company in accordance with the statutory provisions, the Company's articles of association and the rules of procedure for the Executive Board, and works in good faith with the other executive bodies. The Executive Board sets out the corporate objectives and strategies and, based on them, determines the corporate policy.

In accordance with the law and the Articles of Association, the Executive Board, the Supervisory Board and the General Meeting of the Company constitute the corporate bodies of the Company. As a stock corporation, MeVis Medical Solutions AG has a dual management system characterized by a separation of personnel between the Executive Board as the management body and the Supervisory Board as the monitoring body.

Currently, the Executive Board of MeVis Medical Solutions AG consists of one member, Mr. Marcus Kirchhoff, with a contract duration until March 2021. An expansion of the Executive Board is currently neither planned nor foreseen. Therefore, the Supervisory Board has specified the target for the percentage of women on the Executive Board at 0% by December 31, 2020. For any future appointments of Executive board members, the Supervisory Board will of course include qualified women early in the selection process for potential candidates.

The members of the Executive board are jointly responsible for the entire management. Important decisions of the Executive Board are always recorded in minutes. In addition, internal meetings between the Executive Board and

mid-level management take place at least once a month. The Supervisory Board has issued rules of procedure for the Executive Board, which documents all the rules of procedure and transactions that require approval.

THE SUPERVISORY BOARD AND ITS PROCEDURES

The Supervisory Board consists of three members, elected by the shareholders, pursuant to the Company's statutes and convenes at least twice in the half year. The members of the Executive Board generally take part in the meetings of the Supervisory Board and report verbally and in writing on the individual items on the agenda, and answer the Supervisory Board members' questions. The members of the Supervisory Board also discuss certain matters outside the official Supervisory Board meetings or pass resolutions by circulation. The Supervisory Board has issued itself rules of procedure and regularly reviews the efficiency of its activities. On an annual basis the Supervisory Board report sums up the activities in the past fiscal year. Executive and Supervisory Boards work closely together in the Company's best interest.

OBJECTIVES REGARDING THE COMPOSITION OF THE SUPERVISORY BOARD

Pursuant to Section 5.4.1 GCGC, the Supervisory Board must specify concrete objectives regarding its composition, which are reviewed at regular intervals and which will be taken into account when proposing candidates at the Annual General Meeting either in regular elections and in replacement elections of the Supervisory Board:

- The members of the Supervisory Board should, generally speaking, offer the knowledge, skills and relevant experience necessary in order to properly perform their duties. The individual skills and knowledge of the members can complement each other to obtain this objective.
- Members of the Supervisory Board should not serve past the end of the Annual General Meeting following their 75th birthday.
- A member of the Supervisory Board who also serves on the management board of a publicly traded company may not serve on more than five supervisory boards of publicly traded companies not affiliated with the group of the company in which the member of the Supervisory Board serves on the management board or in supervisory bodies of companies with similar requirements.
- No more than two former members of the Company's Executive Board may be members of the Supervisory Board.
- The Supervisory Board should include at least one member who is particularly qualified for handling the Company's international activities. International experience can be gathered, for example, during periods spent abroad or by working for an international company.
- The Supervisory Board must include at least one member who has expert knowledge in accounting or auditing (Section 100 (5) AktG).

Given its current composition, the Supervisory Board believes that it has largely fulfilled these goals. The diversity of the Supervisory Board is mainly reflected in the varying professional careers and activities as well as the varying experiences of the individual members, who complement each other very well in their entirety.

At this point, it should be noted that all Supervisory Board seats are filled with persons who are employed by Varex Imaging Corporation. The Varex Imaging Corporation currently holds the majority of shares in the Company via the Varex Imaging Deutschland AG. The domination and profit and loss transfer agreement with the Company was also transferred to Varex Imaging Deutschland AG in the course of the spin-off. Accordingly, the Supervisory Board no longer has any independent members. The Company considers the complete occupation of the Supervisory Board with members that are employed by companies of the majority shareholder as appropriate in view of the integration of the company into the Varex Group.

Currently the Supervisory Board consists of three members with a 33 % female representation. The members have been elected until the Annual General Meeting in 2021. Personnel changes are currently neither planned nor

foreseen. At the next regular Supervisory Board election in 2021, the aim is that the Supervisory Board should consist of at least 30 % women and 30 % men.

CORPORATE GOVERNANCE PRACTICES

Corporate governance of MeVis Medical Solutions AG, as a listed stock corporation, is dictated first and foremost by the German Stock Corporation Act and the recommendations of the current German Corporate Governance Code.

Being a manufacturer of medical software products, the statutory provisions of the German Medical Devices Act (MPG), the European Directive on Medical products (93/42/EEC), the Canadian Medical Devices Regulation (SOR/98-282), the Australian Therapeutic Goods Act (TGA), the Korean Good Manufacturing Practice (KGMP) and the US Code of Federal Regulations (21 CFR Part 820 - Quality System Regulation) as well as the requirements of the ISO 13485 standard (Medical Devices - Quality Management Systems - Requirements for regulatory purposes) apply to the Company.

Quality and quality management are cornerstones of our corporate governance. The quality management system is geared toward meeting our quality objectives as well as the quality requirements and expectations of our customers in relation to safety and performance, handling, availability, efficiency and punctuality.

The Company's quality management system is certified to EN ISO 13485:2016 by the notified body MEDCERT (ID-number 0482) in the development, manufacturing, final inspection and sale of software for diagnostic evaluation of medical image data as well as intervention support. In addition, DQS Medizinprodukte GmbH is certified for the company's quality management system in the above-mentioned areas according to EN ISO 13485:2016 in accordance with MDSAP Audit Model Edition 2 (for Australia, Canada, USA).

The management of MeVis Medical Solutions AG is also characterized by flat hierarchies with only one management level below the Executive Board, quick decision-making and team-oriented cooperation.

When filling management positions the qualification of candidates is the decisive criterion for the Executive Board of MeVis Medical Solutions AG. However, MeVis Medical Solutions AG pays attention to diversity and in particular the appropriate consideration of women when filling management positions. MeVis Medical Solutions AG welcomes efforts to increase the proportion of women in management positions and will continue to promote female employees according to their qualifications and skills in all levels and areas of responsibility. The proportion of women of the total number of employees of MeVis Medical Solutions AG is currently approximately 33 %. Already, 30 % of the leadership positions of the management level below the Executive Board are occupied with women. At this point, therefore, we have achieved our goal to fill 30 % of the management positions with women by the end of 2020.

REMUNERATION OF EXECUTIVE BODIES

MeVis Medical Solutions AG follows the recommendation of the German Corporate Governance Code to disclose the remunerations for the Executive Board. The remuneration report is part of the management report and also forms part of the Corporate Governance Report.

The members of the Supervisory Board will not receive any remuneration from the Company for fiscal years beginning after January 1, 2016. Therefore, no Supervisory Board compensation is reported individually in the notes or in the management report.

Further explanations and remarks on the remuneration of the Executive Board and the Supervisory Board are disclosed in the remuneration report in the notes.

TRANSPARENCY

To ensure maximum possible transparency, MeVis Medical Solutions AG regularly and promptly informs the capital market, the shareholders and the general public of the Company's financial situation as well as new circumstances and events of importance.

The financial statements and any interim reports are published within the deadlines stipulated for companies listed in the General Standard of the regulated market: within a period of four months for the annual financial statements and within a period of three months in the case of the semi-annual financial reports.

Insider information that concerns the Company is published immediately in accordance with Article 17 (1) of the Market Abuse Regulation (EU) No. 596/2014 (MAR). Shareholders and potential investors can obtain current information about events and new developments on the Internet. All press releases and ad-hoc announcements issued by MeVis Medical Solutions AG are published on the company's website. Up to and including 2019, MeVis Medical Solutions AG has participated in at least one analyst conference per year. Significant and semi-regular events in the financial calendar are published on the Company website.

COMPLIANCE

Compliance describes the adherence to legal, internal and contractual regulations in companies. The entirety of the principles and measures for adherence to certain rules and thus for the avoidance of violations of rules and regulations is referred to as the Compliance Management System.

MeVis Medical Solutions AG considers compliance with laws, internal guidelines and fair interactions with colleagues, business partners and competitors to be an indispensable basis for successful business operations. It currently has a Compliance Management System that is appropriate for the size of the company and its risk situation. The responsibility lies with the Compliance Representative, who reports directly to the Executive Board Member responsible for Finance, Legal Affairs and Human Resources.

The Compliance Guideline introduced internally is binding for all employees, providing them with a guideline for a responsible performance in day-to-day business and is designed to protect them from wrong decisions. The guideline is published on the Company's intranet, employees and managers are continuously informed and made aware of compliance and can also seek advice from the Compliance Representative at any time.

Medical Solutions AG was also integrated into the Varex Group's existing external whistleblower system. This enables employees to provide protected information on violations of the law within the Company.

ANNUAL GENERAL MEETING AND SHAREHOLDERS

The Annual General Meeting of MeVis Medical Solutions AG is called at least once a year. Each share carries one vote in shareholders' resolutions. Each shareholder who registers in time is entitled to attend the Annual General Meeting or has an option of exercising his or her right to vote through a credit institution, association of shareholders, a proxy engaged by and bound by the instructions of Medical Solutions AG or a different proxy.

The invitation to the Annual General Meeting as well as the reports and information required for resolutions are published in accordance with the provisions of the German Stock Corporation Act and made available online on the Company website.

RISK MANAGEMENT

For MeVis Medical Solutions AG, dealing with risks in a responsible manner is a key element of good corporate governance. The Executive Board has installed an appropriate risk management and risk control system in the Company in order to identify, evaluate, monitor and control the risks arising from operating activities at an early stage. The Executive Board informs the Supervisory Board regularly about the current status of significant risks. The risk management system is continuously reviewed in accordance with the latest developments and adjusted where necessary. Further details and information on risk management can be found in the risk report.

ACCOUNTING AND AUDITING

MeVis Medical Solutions AG prepares its statutory annual financial statements and management report in accordance with the German Commercial Code (HGB). In addition, the Company has voluntarily prepared its separate financial statements and management report in accordance with the International Financial Reporting Standards (IFRS) until fiscal 2017/2018. The half-yearly financial report and the interim reports for fiscal year 2018/2019 have also been prepared in accordance with International Financial Reporting Standards (IFRS). With the change of the Company to the General Standard of the Frankfurt Stock Exchange, the Company will prepare its financial reporting only in accordance with the accounting regulations of the German Commercial Code. Quarterly reports or quarterly announcements will no longer be prepared and published.

The financial statements are prepared by the Executive Board and reviewed by the Supervisory Board. The Supervisory Board has commissioned the auditor appointed by the Annual General Meeting for financial year 2018/2019, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Bremen, to audit the financial statements for financial year 2018/2019. In doing so, it is ensured that no conflicts of interest impair the work of the auditor.

The audits of the financial statements for the fiscal year 2017/2018 were also conducted by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Bremen, in accordance with the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (IDW).

DIRECTORS' DEALINGS

Pursuant to Article 19 of the Market Abuse Regulation (EU) No. 596/2014 (MAR), members of the Company's Executive and Supervisory Boards and related parties are required to announce all own transactions (Directors' Dealings) involving shares and debt securities of MeVis Medical Solutions AG that are traded on the stock market or related financial instruments (e.g. derivatives) where such transactions total or exceed € 5,000 in a calendar year. In this respect the Company publishes notifications on its website without delay. The Company received no information about Directors' Dealings during the period under review. As of the reporting date, neither the members of the Executive Board nor the members of the Supervisory Board hold shares of MeVis Medical Solutions AG.