Corporate manual

05.11.2015

AEB

Content

1 AEB as a company

1.1 AEB who we are

AEB is a medium-sized IT enterprise from Stuttgart with local roots and a global outlook. AEB has succeeded in the market for over 35 years, growing from a software engineering and development team into a leading provider for global IT solutions and services in supply chain management.

AEB is a global enterprise with over 5000 customers in Europe, Asia, and North America. AEB is based in Stuttgart (DE) with branch offices in Hamburg, Düsseldorf, Munich and Soest, and development centers in Mainz and Lübeck. AEB has international offices in Leamington Spa (UK), Singapore (SG), Zurich (CH), Malmö (Sweden), Rotterdam (the Netherlands), Prague (Czech Republic), and Paris (France). AEB's service network also includes a team in Atlanta (USA).

1.2 The meaning of our coporate culture

We strive to go our own way by preserving a very special corporate culture in which the people are at the heart of the company while achieving a successful and sound development of our company.

We focus on sustainability and think long-term. Short-term successes please us, but they are not the critical objectives of our actions.

We are convinced that a special corporate culture forms the central basis for our people's commitment within and to the company. At the same time, the people in the company are actively formulating and influencing primarily through their day-to-day actions what is called corporate culture.

Our corporate culture is not supposed to follow the zeitgeist. However, over the course of time, it is meant to develop further – and to serve as a bridge between the people in an increasingly international and diversified AEB company – whether between Lübeck and Singapore, or between Stuttgart and Leamington.

1.3 Philosophy and values

Through our AEB value chain, we describe what we stand for and what is important to us. In 2012, it replaced the value pairs we used until then and formulates our principles of action much more precisely:

open.connected.true.original.forward.leading.quality

The value chain can be found on the AEB homepage.

1.4 Code of conduct

"Act honorably" shall be the basic principle of our code of conduct and that of each employee.

We aim at being perceived in the market as a particularly reputable, reliable and trustworthy partner. This specifically means that we play to our own strengths and for instance, appreciate our competitors. We strictly refrain from any unfair competition and from taking advantage of our business partners, as well as corruption.

1.5   People in the company

We endeavor to be authentic and sincere. This holds true both in terms of dealing with each other, as well as how we are perceived from the outside.

For this reason, too, we deem as important that those people join us who appreciate our culture and enjoy working in a company reflecting these values.

Our employees' competence and commitment are our driving force. Providing employees with a maximum of freedom shall encourage each employee to take responsibility, to actively engage in tasks and press ahead with improvements to promote a personal professional development.

We wish to preserve a multitude of different personalities, cultures and nationalities – a multicultural environment of people connected through mutual respect, tolerance and the company's appreciation and its company philosophy.

1.6   The company's responsibility

AEB's stability and therefore the reliability provided by AEB to all employees and their families promising a stable and long-term workplace is the guiding principle of our entrepreneurial thinking. It is also the foundation of social responsibility which we as a company aspire to realize.

Providing support and guidance to our employees is a very important task for us and our responsibility. We wish to give employees challenging tasks and therefore the opportunity to advance professionally and personally. Training and continuing education, as well as the option to take on new areas of responsibilities are a fundamental component of our corporate culture.

We aim to provide each employee with a great amount of freedom to organize his or her work hours. Personal professional goals should be in harmony with the objectives of the company. At the same time, the company strives to support the ideas and goals of each employee as best as possible. This involves the provision of part-time positions as much as individual and flexible work arrangements during parental leave.

Our responsibility also lies with a comprehensive, profound and continuous evaluation of each employee in his or her development within AEB. The salary is designed to reflect the employee's individual performance and individual contribution to the success of the company. We hereby place great emphasis on a fair and reasonable grading in the context of other colleagues. The principle of salary fairness supersedes the individual expectations of the single employee.

2 AEB in the market

2.1 AEB business area

Our business area focuses on high-quality applications that can be smoothly integrated into ERP systems – especially in SAP – as well as on a wide range of services in the following fields of supply chain management:

- Visibility & Collaboration Platform

- Order Management

- Warehouse Management

- Transport & Freight Management

- Customs Management

- Compliance & Risk Management

We are convinced that in future only those suppliers will be successful that offer their customers a comprehensive solution and service portfolio. This includes data and business information services as well as professional consultancy and operational support. This is also a significant contribution to a strong and long-term customer relationship which we see as the basis of our success and the success of our customers.

Besides the classic installation of the software at our customers, SaaS solutions (Software as a Service) play an increasingly important role. We consider this model as one of the most important drivers for the future growth of our company.

2.2 AEB business model

AEB is now well-established at thousands of German SMEs – companies having between 500 and 5000 employees. Traditionally, our focus has been on manufacturing companies shipping their goods both to domestic and international markets.

Since the ATLAS introduction in Germany, a majority of the smaller companies use mainly our XPRESS products.

With a very strong portfolio, implementation of international requirements and our increasing services potential, we have also been able to gain big, multinational companies as our customers. We consider these large-scale, international customers as important "flagships" of our company's potential.

Generally-speaking, companies with significant movements of goods from all industries are part of our target group. The size of the company matters insofar that our solution should be appropriate with regard to the corresponding benefit. With ASSIST4, we therefore target both internationally-oriented SMEs and large enterprises organized in a group structure. We are aware of the resulting requirements to the range of our solution portfolio as well as the competences and services to be offered according to which we deliberately align our products and AEB's organization.

2.3   AEB solutions

ASSIST4 is the software suite for all logistics and foreign trade processes in global business. ASSIST4 has a highly modular structure and can be tailored and extended to the customers' specific requirements. It can be either used "on premise", in the "private cloud", in the "public cloud", or in a hybrid manner.

The SERIES||XPRESS – smart small business solutions – offers standardized solutions in the "public cloud" for important process steps and business functions in our solution areas.

The software portfolio is complemented by comprehensive services. Here, we focus on our responsibility towards the customers to operate our applications, but also increasingly on data services, business-related information and consultancy when it comes to the improvement of our customers' business processes.

3 Organizational principles

3.1 Basic principles

3.1.1 Guiding principles of the organization

Our organization is shaped by systems theory. The theory states that a complex entity such as a company behaves as a system and is subject to constant change and adaptation. Structures have to be oriented on corporate value creation "from the inside to the outside". Formal structures must be reduced to a minimum. Informal structures are necessary but may no dominate.

3.1.2 Value creation
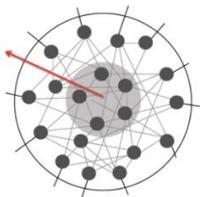
The value creation structure is the most important structure in our organization. Its particular strengths develop when independent units (cells) are cross-linked. Every cell creates value to the inside and to the outside. This enables the system to improve continuously and the individuals to assume responsibility. Control is not exercised hierarchically but socially.

3.1.3 Employee care
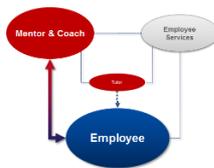
At AEB, the employee is the main focus of the organization. The employee is the nucleus of all other organizational units and structures. Employees assume responsibility in the company and AEB assumes responsibility for its employees.

A separate team – Employee Services – and dedicated line managers take care of the employees' well-being. They lead, support and challenge them.

3.2 Organizational units

3.2.1 The team as the home of the employee

The team is the "home" of an employee. An employee belongs to exactly one team. A team is composed of employees. Every team has a team manager who is part of the team and works in the team.
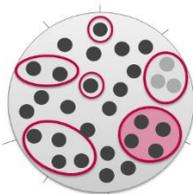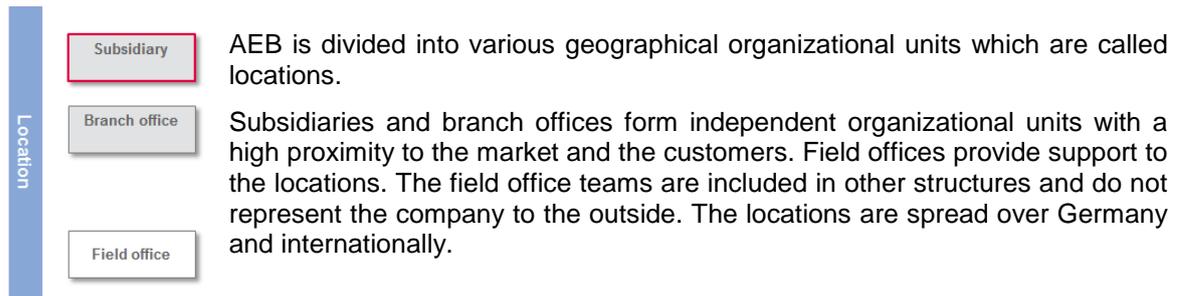
There are various reasons for which units are created from one or multiple teams:

- Geography – e.g. one location
- Joint analysis – e.g. profit center
- Joint target or particular orchestration requirements"

These units are called branch offices or areas.

3.2.2   Geographical organization

AEB is divided into various geographical organizational units which are called locations.

Subsidiaries and branch offices form independent organizational units with a high proximity to the market and the customers. Field offices provide support to the locations. The field office teams are included in other structures and do not represent the company to the outside. The locations are spread over Germany and internationally.

3.2.3   Roles

Every employee at AEB has at least one, often multiple roles in the company. A role describes tasks, responsibilities and competencies of an employee. A role is assigned to an employee who actively assumes responsibility and whose existing or acquired skills and characteristics match the requirements of the role.

The roles also express the employee's career. At AEB, "career" means the continuous expansion of the sphere of responsibility: Assuming greater tasks, more interesting and more suitable roles, and generally more responsibility in the company.

3.2.4   Domänen und Führungsgremien
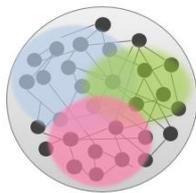
Domains describe important areas of responsibility in an organization. They are the functional, content-related framework. Standards, processes, QM, training, knowledge management are formulated within and for a domain.

Domains are superordinate to other structures such as teams and locations.

Employees can be part of several domains, depending on their roles. There is a relationship between an employee and a domain, more precisely between a role and a domain.

Boards assume a leading position within the important domains of the company.

In cooperation with the employees who carry out tasks within the domain, the Board develops best practices and new ideas, and is available for advice and support. The processes and roles to be deduced from this are worked out by QM and are mandatory for the tasks in the domain.

The Board coordinates and orchestrates the activities in a domain.

3.3 Further principles

3.3.1 Strong periphery
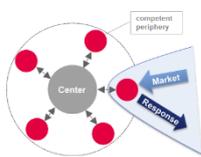
All units that create value according to the requirements of the market are called periphery. The focus is on activities, not on peple or places.

In our dynamic market, a centrally organized company is no longer able to react flexibly. The periphery must have more autonomy and decision-making scope to be able to act independently.

3.3.2 Projects
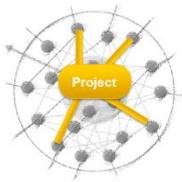
Projects are another important value-creating structure. A project's objective is the successful implementation of a larger, one-off task with special significance for the company, a domain, or a customer.

For projects, project-related structures arise with project standards defined by the domain. These structures are limited in time for the duration of a project and override other formal structures.

3.3.3 Processes
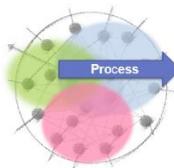
(Business)processes are repeated sequences of individual activities to achieve an objective. They enclose other formal structures and are the main structure for value-creating activities that are carried out frequently.

In process descriptions, only the static parts of a process are described. If an unexpected event occurs and increases dynamics, the process is interrupted and replaced by principles.

We structure processes according to our value chain

Employee Services					
Accounting and Controlling					
Administration (Commercial Order Management, Purchasing, and Legal)				Value-added	secondary
Marketing, Sales, and Account Management					
Infrastructure (IT and Facilities)					
Product, Release, and Sales & Marketing Strategy	Product and Release Development	Implementation of Solutions and Customization	Operation and Support	Cycle	primary

4 Leadership and management

4.1 Teamwork, organization, and leadership

While appreciating the individual we are convinced that ambitious and extraordinary results can only be achieved in a team through the interplay of different skills.

In the same way we deem the whole AEB to be an interplay of the different teams with their special tasks and responsibilities. We try to avoid hierarchic structures and only take action under specific circumstances or decisions. The company experience is meant to be characterized by taking on (joint) tasks, the responsibility of individuals, and by the recognition of competence of those being responsible.

Our increasingly geographically distributed company shall not be steered by a centralized office. We would like to promote a high level of autonomy and decision-making power in our branch offices and subsidiaries in order for them to implement a great deal of proximity to the market. In this context, the central office in Stuttgart conceives itself mainly as service provider and support of the branch offices and subsidiaries.

4.2 Responsibilities

- **Implementing company goals**: Executives achieve business goals through entrepreneurial thinking and values-based action. They communicate and explain business goals to their colleagues and work collaboratively with them towards implementing them.

- **Foster company philosophy**: Our company culture must stand out with values such as customer orientation, innovation, team work, performance, professionalism, openness and agility. Executives teach, explain, amend and support this culture. They maintain a good attitude and lead by example.

- **Tolerance**: Executives are positive about people, interact with them in a open manner and accept personal differences. They have an open-door policy whereby they carefully listen to and show interest and understanding for what others say. They both accept different points of views and different ways of achieving a goal.

- **Rules and processes**: Executives know and use existing rules. Their conduct is guided by existing processes, their work is aimed at actively improving these processes. They show understanding for other areas of the company. They ensure compliance with guidelines in their area of responsibility. In particular, this also includes security regulations and principles.

- **Commitment to quality**: Executives deliver quality products and services and champion agreed quality standards' achievement. Customers are the focus of our quality standards. The success of our company depends on customers who trust our solutions and are satisfied that these solutions support their business processes. Part of our quality standards is ensuring a secure environment for our customers' business processes.

4.3　AEB corporate management

4.3.1　Shareholders and Corporate Board
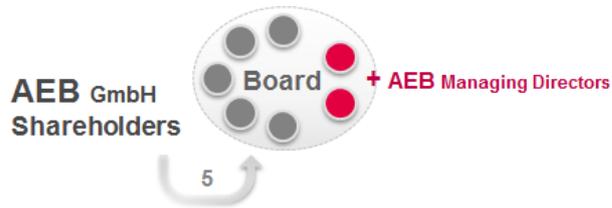
The shareholders own the company. Principle: All shareholders are in the company. Being the owners of the company, the shareholders have a particular obligation to take all the necessary steps to ensure the continued existence of the company.

AEB's Corporate Board serves as a supervisory body in reference to corporate management, particularly also in consideration of financial aspects. It is formed by five elected shareholders and the Managing Directors.

The tasks and composition of the Board have been defined in the shareholders' agreement.

4.3.2　Executive Board and Managing Directors

The Executive Board is the most important committee of the company. It consists of the Managing Directors (MDs) and authorized signatories. The Executive Board is responsible for the strategic and operational value creation and therefore the success of the company.

The Managing Directors take over formal responsibility for operational corporate management and achievement of corporate goals.

4.4   Management systems

4.4.1   Leadership and commitment

From AEB's principles, from how we want to interact, and how we want to act in the market, our high quality and security standards are derived. Company management places a special emphasis on this and feels responsible for quality management and security. Company management wishes for all employees to be aware of this special responsibility and duty of care and for them to act accordingly.

Therefore, management systems for quality and security have been set up, which fulfill the following criteria:

■   compliant with the relevant ISO standards

■   strategically integrated into the organization

■   process-oriented alignment for continuous improvement to achieve the quality and security objectives

The necessary efforts and additional resources will be provided for. Among other things, relevant roles have controlling responsibility. In addition to targeting objectives, an important aspect of the leadership task is encouraging all involved to contribute continuously to actual effectiveness and continuous improvement.

4.4.2   Guidelines on management systems

The associated guidelines are an integral part of the management systems. These guidelines fulfill the following criteria:

■   Compliant with the relevant ISO standards

■   Presentation of the objectives and their reasoning

■   Presentation of the application areas towards which the management systems are geared

■   Presentation of the organization which is dealing with the implementation of the objectives

These guidelines are subject to the processes for guideline documents. They are made in writing and their current version is made available to the employees for consideration.

For more detailed explanations – also on the implementation in compliance with the ISO standard–, refer to the Guideline Integrated Management System. A separate chapter in the guideline conveys the understanding of a management system as an organic process. Extract:

■   Handling changes

■   Handling opportunities and risks

■   Ensuring control and effectiveness

■   Introduction of improvement measures

4.4.3   Organizational tasks, responsibilities, and authorizations

An important part of the guidelines is the clarification of the organization with roles and their functions and authorizations. The objective of the organization is the continuous alignment with the objectives incorporated in the guideline, the development and adjustment to changing conditions. The management systems contain a check feature. As part of regular management evaluations, reports are made, decisions on upcoming correction and prevention measures are taken, and the measures are implemented.

For a detailed overview of the above-mentioned topics from an internal view, refer to the MagnaCarta. Some of the aspects have already been embedded on this page.