

**Resolution by the Management Board  
and the Supervisory Board  
of  
SURTECO GROUP SE  
Buttenwiesen**

The Management Board and the Supervisory Board submit the following Declaration of Compliance for the business year 2020 pursuant to Article § 161 (1) Sentence 1 Stock Corporation Act (AktG):

**“Declaration on the German Corporate Governance Code pursuant to  
Article § 161 (1) Sentence 1 Stock Corporation Act (AktG)”**

The Management Board and the Supervisory Board declare that the recommendations issued by the Government Committee on the German Corporate Governance Code in the version dated 16 December 2019 published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Law Gazette (Bundesanzeiger) were implemented during the business year 2020 with the following deviations and furthermore confirm continued compliance with the following deviations:

1. Notwithstanding recommendation B.3 of the Code, the Chairman of the Management Board, Wolfgang Moyses, was appointed for a term of office of five years on his first appointment in 2019.

*Explanation: New appointments were made to all positions on the Management Board in 2019/2020. The Supervisory Board believes that the appointment of the Chairman of the Management Board for the period of five years is necessary even though this is a first appointment in order to implement the long-term realignment of the company and the strategy. Moreover, the Chairman of the Management Board was already known to the Supervisory Board from his previous activity as a Member of the Supervisory Board of the company.*

2. A Nomination Committee of the Supervisory Board was not set up, notwithstanding recommendation D.5 of the Code.

*Explanation: A Nomination Committee of the Supervisory Board has so far not been set up, because there is currently no requirement for this in view of the size of the Supervisory Board and the existing shareholder structure.*

3. Notwithstanding recommendation F.2 of the Code, the consolidated financial statements and the consolidated management report are published within 120 days after the end of a business year.

*Explanation: The Code provides for publication of consolidated financial statements within 90 days of the end of the reporting period. This deadline has been extended to 120 days in the case of SURTECO, in order to permit continuation of internal operations for drawing up the annual financial statements and the consolidated financial statements. An information deficit is not incurred as a*

*result since the relevant figures are in any case available in good time for the ordinary Annual General Meeting.*

4. The proportion of long-term variable remuneration does not exceed the proportion of short-term variable remuneration (deviation from recommendation G.6 of the Code).

*Explanation: Pursuant to the current contracts for the Members of the Management Board, 75 % of the variable remuneration is paid out in the following business year and 25 % is retained without paying any interest. The retained share of 25 % is only paid out after three years. It is reduced or increased by a percentage amount if the average bonus of the last three business years falls short of or exceeds the bonus of the year that is three years prior to the current business year. The retention and hence the long-term variable remuneration is less than the short-term share. However, the Supervisory Board believes that the alignment on a sustainable company performance continues to be adequately safeguarded by this arrangement.*

5. Notwithstanding recommendation G.7 of the Code, only the development of the operating result is used as a performance criterion for the variable remuneration components. Specific performance criteria such as operating and strategic target indicators are not defined in advance.

*Explanation: Variable remuneration relates to a discretionary bonus that is defined by the Supervisory Board after the end of the relevant business year at reasonable discretion. The starting indicator is the consolidated result. However, the Supervisory Board is not precluded from taking account of other performance indicators for making its discretionary decision without the need for these indicators to be defined in advance. This flexible approach has led to satisfactory results in the past both for the company and for the Members of the Management Board and the intention is to retain this arrangement in future. The contracts currently in force do not therefore define any other strategic target as a basis for variable remuneration elements.*

6. The variable compensation elements granted to the Members of the Management Board are not granted on the basis of shares (deviation from recommendation G.10 of the Code).

*Explanation: SURTECO GROUP SE does not hold any own (treasury) shares which would be available for the grant of such compensation elements.*

7. Apart from the retentions described under section 4, the contracts of service for the Members of the Management Board do not provide for any possibility of retaining or reclaiming variable remuneration in justified cases (deviation from recommendation G.11 Sentence 2 of the Code).

*Explanation: If these types of retention or reclaiming options were proposed for inclusion in the contracts of service, the conditions under which payments made by the company could be reclaimed or retained from a Member of the Management Board would have to be precisely defined in advance. Clauses of*

*this type would be beset by substantial risks if judicial enforcement were necessary. The Supervisory Board is of the opinion that the objective of such provisions has already been accounted for as a result of the retention of part of the variable remuneration (long-term component as described under item 4) and this arrangement is not associated with comparable legal risks. If there were any breaches of duty by a Member of the Management Board, the Supervisory Board would normally be required to pursue any existing claims relating to compensation for damages pursuant to Article § 93 (2) Stock Corporation Act (AktG).*

8. Currently, there is no contractually agreed severance cap for the Chairman of the Management Board, Mr. Wolfgang Moyses (deviation from recommendation G.13 of the Code).

*Explanation: Previous contracts of service held by Mr. Moyses with other companies also did not include a severance cap and a severance cap was not therefore included when the contract of service was concluded with Mr. Moyses.*

9. The performance-based remuneration for the Supervisory Board is not geared to long-term development of the company (deviation from recommendation G.18 of the Code).

*Explanation: The Members of the Supervisory Board of SURTECO GROUP SE receive variable remuneration pursuant to Article § 12 (1) of the Articles of Association, which is calculated on the basis of the dividend resolved at the Annual General Meeting. This performance-related remuneration is therefore only calculated on a single-year calculation basis and is not determined by the long-term development of the company. This calculation of the remuneration of the Members of the Supervisory Board proved appropriate in the past and has not influenced the fulfilment of the functions of the Supervisory Board. Whether only a fixed remuneration should be implemented in the future is still open and is under discussion.*

At the latest in 2021, the Supervisory Board will pass a resolution on a remuneration system for the Members of the Management Board pursuant to Article § 87a Stock Corporation Act (AktG) and submit this remuneration system to the ordinary Annual General Meeting 2021 pursuant to Article § 120a Stock Corporation Act (AktG) for approval. Consequently, a statement on the recommendations of the Code relating to the remuneration system can only be made in the year 2021.

Buttenwiesen, 17 December 2020

**SURTECO GROUP SE  
Management Board and Supervisory Board”**