



## **GESCO AG, Wuppertal**

Security identification number A1K020  
ISIN DE000A1K0201

### **Declaration of Compliance in accordance with Section 161 AktG**

In accordance with Section 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board of GESCO AG declare that the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of 16 December 2019, published in the official section of the Federal Gazette on 20 March 2020, have been complied with since the last declaration of compliance was issued in December 2021 until the new version of the Code dated 28 April 2022 came into force on 27 June 2022, with the following exceptions:

- **D.5: Formation of a Nomination Committee**

The Supervisory Board of GESCO AG consists of four members. Due to the small size of the body, both overarching strategic topics and detailed issues can be discussed and decided on intensively and without loss of efficiency by the Supervisory Board as a whole. We therefore do not consider the formation of committees beyond the legally required audit committee to be expedient. Rather, we see a strength in the fact that all members of the Supervisory Board are equally involved in all issues.

- **F.2, 1.half-sentence: Publication of financial information (90-day period)**

The change of the Company's auditor on the basis of the resolution of the Annual General Meeting of 30 June 2021 and the associated additional coordination effort for the first audit period meant that the consolidated financial statements and the Group management report for the 2021 financial year (01.01.2021 to 31.12.2021) could not be published within 90 days of the end of the financial year.

- **G.18: Remuneration of the Supervisory Board**

The system of remuneration for the Supervisory Board of GESCO AG approved by the Annual General Meeting on 18 June 2020 includes a fixed component as well as a performance-related component, which is based on the consolidated net income for the year after minority interests. Any Group net losses are carried forward to the next year and offset against positive amounts. We are convinced that this arrangement corresponds to a sustainable and entrepreneurial way of thinking and should also do justice to the orientation towards the long-term development of the company as required by the Code. However, since it cannot be ruled out that other opinions will be expressed in this regard, we declare a deviation from this recommendation of the Code as a precautionary measure.

The Executive Board and Supervisory Board of GESCO AG also declare in accordance with section 161 of the German Stock Corporation Act (AktG) that the recommendations of the "Government Commission on the German Corporate Governance Code", as amended on 28 April 2022 and published in the official section of the Federal Gazette on 27 June 2022, have been complied with the following exceptions:

- **A. 1: Systematic identification and assessment of risks and opportunities as well as the impacts of business activities from an environmental and social perspective, and consideration of environmental and social objectives in corporate strategy and planning.**

Due to the short lead-time since the new recommendations on ESG came into force, the processes required to implement the recommendations could not be fully completed in the 2022 financial year. However, GESCO AG intends to fully comply with the recommendations in the future.

- **A. 3: Coverage of sustainability-related objectives in the internal control and risk management system**

Due to the short lead-time since the new recommendations on ESG came into force, the processes required to implement the recommendations could not be fully completed in the financial year 2022. However, GESCO AG intends to fully comply with the recommendations in the future.

- **D. 4: Formation of a Nomination Committee**

The Supervisory Board of GESCO AG consists of four members. Due to the small size of the body, both overarching strategic topics and detailed issues can be discussed and decided on intensively and without loss of efficiency by the Supervisory Board as a whole. We therefore do not consider the formation of committees beyond the legally required audit committee to be expedient. Rather, we see a strength in the fact that all members of the Supervisory Board are equally involved in all issues.

- **G.18: Remuneration of the Supervisory Board**

The system of remuneration for the Supervisory Board of GESCO AG approved by the Annual General Meeting on 18 June 2020 includes a fixed component as well as a performance-related component, which is based on the consolidated net income for the year after minority interests. Any Group net losses are carried forward to the next year and offset against positive amounts. We are convinced that this arrangement corresponds to a sustainable and entrepreneurial way of thinking and should also do justice to the orientation towards the long-term development of the company as required by the Code. However, since it cannot be ruled out that other opinions will be expressed in this regard, we declare a deviation from this recommendation of the Code as a precautionary measure.

The Executive Board and Supervisory Board of GESCO AG also declare in accordance with § 161 of the German Stock Corporation Act (AktG) that the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of 28 April 2022, published in the official section of the Federal Gazette on 27 June 2022, will be complied with in future, with the exceptions A.1, A.3, D.4 and G.18 justified above, as well as the following exceptions:

- **A.5: Description of the main features of the overall internal control and risk management system and opinion on adequacy and effectiveness**

In accordance with legal requirements, the presentation in the management report is currently limited to a description of the key features of the internal control and risk management system with regard to the accounting process. In the future, GESCO AG intends to expand its reporting in accordance with the new, more extensive

recommendation. However, due to the short lead-time since the new recommendation came into force, such an expansion cannot yet take place for the financial year 2022.

- **F.2, 1.half-sentence: Publication of financial information (90-day period)**

The change of the auditor of the company on the basis of the resolution of the Annual General Meeting of 30 June 2021 and the associated additional voting effort mean that the consolidated financial statements and the Group management report for the 2022 financial year (1 January 2022 to 31 December 2022) cannot be published within 90 days of the end of the financial year. A DCGK-compliant publication is aimed at for the 2023 business year.

Wuppertal, December 2022

GESCO AG

For the Supervisory Board

For the Executive Board

Klaus Möllerfriedrich  
(Chairman of the Supervisory Board)

Ralph Rumberg  
(Spokesman of the Executive Board)