



## **GESCO AG, Wuppertal**

Securities Identification Number (SIN) A1K020  
ISIN DE000A1K0201

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

The Executive Board and Supervisory Board of GESCO AG declare in accordance with Section 161 AktG that the recommendations of the Government Commission German Corporate Governance Code published by the Federal Ministry of Justice and Consumer Protection in the official section of the Bundesanzeiger (Federal Gazette) on 24 April 2017 were followed pursuant to the version of the Code dated 7 February 2017 since the last declaration of compliance was issued in December 2019 and until the entry into force of the new version of the Code dated 16 December 2019 on 20 March 2020 with the following exceptions:

- **Section 5.3: Establishment of supervisory board committees**

The Supervisory Board of GESCO AG comprises four members. The small size of the committee allows overarching strategic issues, as well as detailed questions, to be discussed in depth and without any loss of efficiency and decided upon by the entire Supervisory Board. We therefore believe that it is not appropriate to create Supervisory Board Committees. The company rather feels that a strong point of the Supervisory Board derives from the fact that its members are equally involved in all issues.

- **Section 5.4.1, para. 2, sentence 2: Regular limit on the length of membership for Supervisory Board members**

The Supervisory Board of GESCO AG believes that a long term of service on the Supervisory Board goes hand in hand with the sustainable and long-term business model of GESCO AG. For this reason, we do not consider setting a regular limit of length of Supervisory Board membership to be appropriate or practical.

- **Section 5.4.6, para. 2, sentence 2: Performance-oriented Supervisory Board remuneration**

The remuneration of the members of the Supervisory Board of GESCO AG includes a fixed component, an attendance fee and a performance-oriented component based on Group net income for the year after minority interest. Any Group losses are carried forward to the subsequent year and offset against positive income. In our opinion, this rule is in keeping with a sustainable and entrepreneurial way of thinking and should be in compliance with the orientation towards sustainable corporate development called for in the Code. However, as it is not feasible to exclude the possibility that others may be of a different opinion, we therefore report a deviation from the recommendation of the Code as a precautionary measure.

- **Section 7.1.2 sentence 3 GCGC: Publishing financial information**

The change in the financial year of GESCO AG to match the calendar year in the abbreviated financial year 2019 and the associated accounting adjustments resulted in the Group financial statements and the Group management report for the abbreviated financial year 2019 (1 April 2019 to 31 December 2019) not being able to be published within 90 days of the end of the financial year.

The Executive Board and Supervisory Board of GESCO AG also declare in accordance with Section 161 AktG that the recommendations of the Government Commission 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 Bundesanzeiger (Federal Gazette) on 20 March 2020, have been followed and will continue to be followed in the future, with the following exceptions:

- **D.2 sentence 1, D.3, D.5: Establishment of supervisory board committees**

The Supervisory Board of GESCO AG comprises four members. The small size of the committee allows overarching strategic issues, as well as detailed questions, to be discussed in depth and without any loss of efficiency and decided upon by the entire Supervisory Board. We therefore believe that it is not appropriate to create Supervisory Board Committees. The company rather feels that a strong point of the Supervisory Board derives from the fact that its members are equally involved in all issues.

- **F.2: Publishing financial information**

The change in the financial year of GESCO AG to match the calendar year in the abbreviated financial year 2019 and the associated accounting adjustments resulted in the Group financial statements and the Group management report for the abbreviated financial year 2019 (1 April 2019 to 31 December 2019) not being able to be published within 90 days of the end of the financial year and the mandatory interim financial information for financial year 2020 (1 January 2020 to 31 December 2020) not being able to be published within 45 days of the end of the reporting period. In financial year 2021, GESCO AG aims to publish its interim financial information within 45 days of the end of the reporting period. However, due to accounting adjustments, it will not be possible to publish the Group financial statements and the Group management board for financial year 2020 (1 January 2020 to 31 December 2020) within 90 days of the end of the financial year.

- **G. 1 to G.11: Executive Board remuneration**

The new version of the Code published on 20 March 2020 contains new recommendations on Executive Board remuneration (G.1.). The current Executive Board remuneration system, most recently approved by the Annual General Meeting on 30 August 2018 granted with 98.9 % of the votes does not comply in every aspect with the new recommendations. This is due to the fact that it takes a certain amount of time to adjust the Executive Board remuneration system. The Supervisory Board will present a revised remuneration system for approval at the Annual General Meeting 2021.

- **G.18: Supervisory Board remuneration**

The GESCO AG Supervisory Board remuneration system approved by the Annual General Meeting on 18 June 2020 includes a fixed component and a performance-oriented component based on Group net income for the year after minority interest. Any Group losses are carried forward to the subsequent year and offset against positive income. In our opinion, this rule is in keeping with a sustainable and entrepreneurial way of thinking and should be in compliance with the orientation towards sustainable corporate development called for in the Code. However, as it is not feasible to exclude the possibility that others may be of a different opinion, we therefore report a deviation from the recommendation of the Code as a precautionary measure.

Wuppertal, December 2020

GESCO AG

On behalf of the Supervisory Board

Klaus Möllerfriedrich  
(Chairman of the Supervisory Board)

On behalf of the Executive Board

Ralph Rumberg  
(Spokesman for the Executive Board)