



GESCO AG, Wuppertal

Securities Identification Number (SIN) A1K020
ISIN DE000A1K0201

Declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (AktG)

The Executive Board and Supervisory Board of GESCO AG declare, in accordance with Section 161 AktG, that the recommendations of the Government Commission of the 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 have been followed pursuant to the version of the Code dated 7 February 2017 since the last declaration of compliance was issued in December 2017, with the following exceptions:

- **Section 5.3: Forming Supervisory Board committees**

The Supervisory Board of GESCO AG comprises four members. Due to the small size of the board, overarching strategic issues and detailed questions can 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. Rather, the company 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 paragraph 2, sentence 2: Regular limit on the length of membership for members of the Supervisory Board**

The Supervisory Board of GESCO AG is convinced that long-term periods of service on the Supervisory Board correspond with the business model of GESCO AG, which is long-term in nature and aimed at sustainability. Based on this fact, we believe that the introduction of limits on the length of membership for members of the Supervisory Board is neither appropriate nor useful.

- **Section 5.4.6 paragraph 2, sentence 2: Performance-related remuneration of the Supervisory Board**

In addition to a fixed element and attendance fees, the remuneration of the members of the Supervisory Board of GESCO AG includes a performance-related element, which is measured on the basis of consolidated net income after minority interest. Where applicable, Group losses are carried forward into the following year and offset against profits. We believe that this arrangement represents a sustainable and entrepreneurial attitude, and should meet the requirement for an orientation towards a sustainable company development set out in the Code. However, as it cannot be excluded that alternate points of view may be held, we hereby take the precaution of noting this departure from the recommendations of the Code.

- **Section 4.2.1, sentence 1 German Corporate Governance Code (GCGC): Executive Board consisting of several members, as well as a Chair or Spokesperson**

As a result of personnel changes, the Executive Board of GESCO AG comprised only one person for the period from 16 June 2018 to 30 June 2018 and therefore did not have a chair or a spokesperson.

As a result of the departure of the company's Chief Financial Officer with effect from 30 November 2018, the Executive Board of GESCO AG has comprised only one person since 1 December 2018 and will continue to do so until the appointment of a successor.

The Executive Board and Supervisory Board of GESCO AG also declare, in accordance with Section 161 AktG, that the recommendations of the Government Commission of the German Corporate Governance Code in the version of the Code dated 7 February 2017, published by the Federal Ministry of Justice and Consumer Protection in the official section of the Bundesanzeiger (Federal Gazette) on 24 April 2017, have been followed and will continue to be followed with the exceptions of Section 5.3, Section 5.4.1 paragraph 2 sentence 2, Section 5.4.6 paragraph 2 sentence 2 and Section 4.2.1 sentence 1 (alternatively: 1) GCGC, as justified above. The deviation from the recommendation in Section 4.2.1 sentence 1 (alternatively: 1) GCGC is temporary in nature.

Wuppertal, December 2018

GESCO AG

For the Supervisory Board

For the Executive Board

Klaus Möllerfriedrich
(Chairman of the Supervisory Board)

Ralph Rumberg
(Spokesman of the Executive Board)