



GESCO AG, Wuppertal

Securities identification number 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 12 June 2015 have been followed pursuant to the version of the Code dated 5 May 2015 since the last declaration of compliance was issued in December 2015, with the following exceptions:

- **Section 4.2.1, sentence 1: Chairman of the Executive Board or Spokesman of the Executive Board**

The Executive Board of GESCO AG comprised two people until 31 December 2015, and has comprised three people since 1 January 2016; no Chairman or Spokesman was appointed. Both Executive Board Members complemented one another with their professional expertise and their responsibilities were clearly defined. In view of their joint overall responsibility, the Executive Board Members maintained a close and trusting working relationship and held equal rights.

The Supervisory Board appointed Dr Eric Bernhard as Chairman of the Executive Board of GESCO AG effective as at 1 July 2016. From the time of his appointment, GESCO AG complied with the recommendation detailed in Section 4.2.1 sentence 1 GCGC (see the update to the declaration of compliance from May 2016).

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

The Supervisory Board of GESCO AG comprises three members. This number has proven to be extremely effective, as 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 1: 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.

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 5 May 2015, published by the Federal Ministry of Justice and Consumer Protection in the official section of the Bundesanzeiger (Federal Gazette) on 12 June 2015, have been followed and will continue to be followed with the exceptions of Section 5.3, Section 5.4.1 paragraph 2 sentence 1 and Section 5.4.6 paragraph 2 sentence 2, as justified above.

Wuppertal, December 2016

GESCO AG

For the Supervisory Board

Klaus Möllerfriedrich
(Chairman of the Supervisory Board)

For the Executive Board

Dr Eric Bernhard
(Chairman of the Executive Board)