

Declaration of Corporate Governance in accordance with Sections 289f and 315d of the German Commercial Code (HGB) Financial year 2020

The Executive Board and Supervisory Board provide information on the company's corporate governance in accordance with Sections 289f and 315d HGB and Principle 22 of the German Corporate Governance Code (hereafter also referred to as "GCGC" or "Code").

The Executive Board and Supervisory Board of GESCO AG govern the company with a view to sustainability. The business model is of a long-term nature and all measures are aimed at sustainable positive development. The Executive Board and Supervisory Board of GESCO AG agree with the aims of the Code; to promote good, trustworthy company management for the benefit of shareholders, employees and customers. Section 161 of the German Stock Corporation Act (AktG) requires an annual declaration of compliance with the recommendations of the Code. The preamble to the Code expressly provides for deviations from its recommendations, thereby allowing companies to take into account industry or company-specific factors. This means that deviations are not negative per se, but can actually contribute to good management, at smaller companies in particular.

The Executive Board and Supervisory Board submitted a declaration of compliance on schedule and as required by law in December 2020 and made it permanently available to shareholders on the company's website (www.gesco.de). On account of the entry into force of the amended Code during the reporting period, this declaration is based on the Code amended as at 7 February 2017 and on the current version of the Code dated 16 December 2019.

The declaration of compliance issued in December 2020 is included in this corporate governance report. Previous declarations of compliance are also available to our shareholders and other interested parties from the Compliance and Corporate Governance section

of the company website at www.gesco.de. The GESCO AG Articles of Association are also available in this section of the website.

Compliance management system

GESCO Group mitigates compliance risks such as corruption, violations of antitrust law and criminal activities through a suitable compliance management system, which includes a Group-wide Code of Conduct, accompanying guidelines and work instructions, an online information system (Rulebook) for GESCO Group employees, accompanying training courses, random case-by-case assessments and a whistleblower system for both employees and external parties. It is the job of the subsidiaries' Managing Directors to anchor these requirements and principles in their companies' corporate cultures. The Code of Conduct for GESCO Group employees is also available from the Compliance and Corporate Governance section of the website at www.gesco.de, as is further information on the whistleblower system.

Shareholders and Annual General Meeting

Shareholders exercise their voting rights at the Annual General Meeting. Each share in GESCO AG grants one vote. GESCO AG publishes all documents relevant to points on the agenda on the company website www.gesco.de in the Investor Relations section in due time before the Annual General Meeting. In the course of

the invitation to the Annual General Meeting, the company explicitly requests that shareholders exercise their voting rights. To make it easier for shareholders to vote, the company appoints a voting rights representative who can vote at the Annual General Meeting on behalf of shareholders and according to their instructions. The company enables shareholders to order tickets, complete their postal vote and appoint a proxy via an online tool. The company feels that a high Annual General Meeting attendance rate is important in order to maintain democracy amongst shareholders and to ensure that decisions of the Annual General Meeting reflect the wishes of the majority of shareholders. GESCO AG publishes the invitation to the Annual General Meeting and any reports and information required to pass a resolution in accordance with the regulations of the German Stock Corporation Act (AktG). This information is also available on the company website. Since its IPO in 1998, the company has published the voting results on its website on the day of the Annual General Meeting.

In accordance with the German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic (GesRuaCOVBekG) of 27 March 2020, in conjunction with the Ordinance on the Extension of these Measures (GesRGenRCOV MVV) of 20 October 2020, annual general meetings may be held as virtual events without the physical presence of shareholders or their authorised representatives until the end of the calendar year of 2021.

Executive Board and Supervisory Board

The Executive Board is responsible for managing the company, while the Supervisory Board is responsible for monitoring corporate governance and advising the Executive Board. Both boards maintain a close and trusting working relationship within the scope of their legally defined responsibilities. The Executive Board provides the Supervisory Board with regular, prompt and comprehensive information on company planning, earnings and financial position, risk management, strategic development and intended acquisitions. A list of business activities defines those Executive Board decisions that require approval by the Supervisory Board.

Supervisory Board members did not receive any remuneration or benefits in kind for personal activities such as consultancy or agency services in the reporting year or the year before. Neither Executive Board members nor Supervisory Board members had any conflicts of interest.

Executive Board

The Executive Board is responsible for the management of GESCO AG. The members of the Executive Board manage the company's activities in compliance with the law, the Articles of Association and the rules for management of the company approved by the Supervisory Board. The Executive Board works out the strategic development of the company, asks the Supervisory Board for approval and implements it. The Executive Board also defines the company's goals, makes plans and manages the internal

control and risk management system, as well as controlling. In addition, the Executive Board prepares the quarterly reports or quarterly statements, the half-year interim report, the individual financial statements of GESCO AG and the consolidated financial statements. Its actions and decisions are aligned with the interests of the company.

The rules for the management of the company approved by the Supervisory Board define responsibilities within the Executive Board, and include detailed instructions regarding the work of the Executive Board and the specifics of reporting to the Supervisory Board by the Executive Board, as well as setting out the Executive Board decisions that require the approval of the Supervisory Board. The maximum age for members of the Executive Board is 65.

The Executive Board comprised Ralph Rumberg (Spokesman of the Executive Board) and Kerstin Müller-Kirchhofs (Chief Financial Officer).

Relevant details regarding management practices

The members of the Executive Board manage the company with the care required of an orderly and conscientious manager, while observing the applicable laws, Articles of Association and the rules for the management of the company.

In addition, the GESCO Code of Conduct also includes basic rules and principles for our actions derived from our self-image, including our conduct in relation to customers, business partners, competitors, third parties and the

general public. The GESCO Code of Conduct is available from the Compliance and Corporate Governance section of our website at www.gesco.de.

GESCO AG does not pursue any relevant management practices that go beyond these standards.

Long-term succession planning for the Executive Board

Together with the Executive Board, the Supervisory Board is responsible for long-term Executive Board succession planning. The Supervisory Board addresses the issue of Executive Board succession planning on a regular basis and not only in relation to specific vacancies. The Supervisory Board draws up a job profile listing the key characteristics and qualifications candidates must possess in order to be appointed to the Executive Board, in consideration of the requirements of the German Stock Corporation Act, the Code and the target set by the Supervisory Board for the percentage of women in the Executive Board. The likely area of future Executive Board responsibility and the company's strategic planning function both have a say in the job profile, too. In the event of a vacancy on the Executive Board, the Supervisory Board conducts structured interviews with selected candidates on the basis of which the vacancy is then filled. If necessary, the Supervisory Board will draw on the assistance of external advisers in drawing up job profiles and selecting suitable candidates.

Supervisory Board

The Supervisory Board appoints Executive Board members, monitors their corporate governance and advises them on issues of company management. The report from the Supervisory Board contains detailed information on its work in the reporting year.

The Supervisory Board of GESCO AG has been deliberately kept small. This has proven to be extremely effective, as strategic issues and detailed questions can be discussed in depth from an overall perspective within the entire Supervisory Board. It is obviously not practical to form committees from a Supervisory Board of this size, so no committees are formed at GESCO AG. The company feels that a strong point of the Supervisory Board derives from the fact that its members are equally involved in all issues. In this regard the Executive Board and Supervisory Board declare a deviation from the recommendations D.2 sentence 1, D.3 and D.5 GCGC.

Pursuant to the recommendation in D.1 GCGC, the Supervisory Board has created rules for the management of the company and for the application of the law and the Articles of Association, which are available from the Compliance and Corporate Governance section of the the company's website at www.gesco.de. The Chairman coordinates the work of the Supervisory Board, chairs its meetings and represents its interests externally.

The Supervisory Board members in the reporting year were Mr Klaus Möllerfriedrich (Chairman), Mr Stefan Heimöller (Deputy Chairman), Dr Nanna Rapp and Mr Jens Große-Allermann.

The Supervisory Board believes it is appropriate for at least two members of the company's Supervisory Board to be independent within the meaning of the Code. All members of the Supervisory Board currently meet the independence criteria. Although Mr Möllerfriedrich has been a member of the company's Supervisory Board for more than 12 years, the Supervisory Board still considers him to be independent within the meaning of recommendation C.7 GCGC. In view of the performance of his duties to date, the Supervisory Board remains of the conviction that despite his many years on the Supervisory Board, Mr Möllerfriedrich continues to maintain the critical distance to the company and its Executive Board necessary for the performance of his duties. What's more, Mr Möllerfriedrich does not have any personal or business relationships with the company or its Executive Board that could give rise to a conflict of interest, nor does he hold any shares in the company. All members of the Supervisory Board also have the appropriate expertise to act as financial experts in accordance with Section 100 para. 5 AktG. In their entirety, the members of the Supervisory Board are familiar with the sector in which GESCO AG operates.

The most recent efficiency audit of the Supervisory Board was conducted in 2019. There were no changes in the selection of Supervisory Board members in 2020, so no efficiency audit was carried out. Furthermore, the coronavirus restrictions have resulted in temporary changes to how the Supervisory Board operates.

Composition of the Supervisory Board and diversity of the Supervisory Board, Executive Board and executives

According to recommendation C.1 sentence 1 GCGC, the Supervisory Board shall specify concrete objectives regarding its composition and develop an expertise profile for the entire body and ensure that diversity is taken into account.

In the eyes of the GESCO AG Supervisory Board, diversity is not merely defined by gender and nationality, but also, and specifically, by professional diversity and a well-balanced mix of expertise from various professional fields. The areas of competence required by the Supervisory Board of GESCO AG include accounting, auditing and monitoring of the effectiveness of internal controls ("Financial Expert"), capital market experience, entrepreneurial expertise and experience and broad knowledge of the strategic, operational and financial functioning of companies. The Supervisory Board believes that these competences are fully covered by the current committee members as follows:

Area of competence	Möllerfriedrich	Heimöller	Dr Rapp	Große-Allermann
Organisation of the Supervisory Board	x			
Corporate governance	x			
Legal	x			
Taxes	x			
Controlling and risk management	x	x	x	x
Accounting	x	x	x	x
Personnel		x	x	x
Production		x	x	
Financing	x	x	x	x
Capital market	x			x
M&A	x	x	x	x
Strategy	x	x		
Internationalisation			x	x

The purpose of the age limit for members of the Supervisory Board is so that a member's term usually ends at the end of the regular term of office following the respective member's 70th birthday. Details regarding the selection and term of office of the Supervisory Board members, on the constitution of the Supervisory Board, its meetings and decisions and the rights and responsibilities of its members are defined by the Articles of Association of GESCO AG.

Target regarding the inclusion of women

The "Act on the Equal Participation of Women and Men in Leadership Positions in the Private Sector and Public Bodies," which came into effect on 1 May 2015, calls for the creation of targets with regard to the inclusion of women in Supervisory Boards, Executive Boards and the top two levels of management, and the

setting of deadlines by which those targets must be met. The Executive Board and Supervisory Board defined corresponding targets on 13 August 2015 and since then have published an annual Corporate Governance Report on the status of target achievement as well as on target adjustments.

GESCO Group companies pursue a clear and absolute policy of equal opportunities in their day-to-day business. This is a matter of course, irrespective of any legal obligations. The companies make a conscious effort to receive job applications from female candidates, support interested candidates in their applications, take part in campaigns such as "Girls' Days" and actively seek out dialogue with schools and universities. This is not based on the desire to fulfil a quota, but rather derives from the conviction and necessity to recruit highly qualified individuals for vacant roles. GESCO Group companies have a great interest in positioning themselves as attractive employers.

In 2017, the Supervisory Board of GESCO AG set a target of a 25% share of women on the **Supervisory Board**. This target is currently met.

In 2015, the Supervisory Board of GESCO AG set a target of a 30% share of women on the **Executive Board**. This target is currently met.

The organisational structure of GESCO AG was expanded effective 1 September 2020 with the addition of a **first level of management below the Executive Board**. There is no second level of management below the Executive Board. The Executive Board has specified a target of 25% for the share of women on the first level of management. This target is currently met.

We are keeping 30 June 2022 as the deadline for the next review of target achievement.

Comprehensive and transparent communication

GESCO AG promptly and truthfully informs shareholders, the capital market, the media and the general public about all relevant events and the financial development of the company. Financial reports, press releases and ad hoc notifications, the financial calendar, documents relating to the Annual General Meeting and a host of other information are available from the Investor Relations section of the company website at www.gesco.de.

Shareholdings and members of executive bodies

In accordance with the legal provisions, GESCO AG publishes without delay transactions by the persons referred to in Article 19 of the Market Abuse Regulation – particularly by members of executive bodies, and by persons closely associated with them, involving equities and debt instruments of the company or financial instruments related thereto – that require notification under the regulation. The transactions reported to GESCO AG in the past financial year are available from the Investor Relations section of the company website at www.gesco.de.

Remuneration Report

The remuneration report is part of the Group Management Report.

Accounting and audit of financial statements

The individual financial statements of GESCO AG are prepared in accordance with the German Commercial Code (HGB). Since the financial year 2002/2003, the consolidated financial statements of GESCO AG have been prepared according to International Financial Reporting Standards (IFRS). The individual and consolidated financial statements were audited by Breidenbach und Partner PartG mbB, Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Wuppertal, Germany. The responsible auditor is Mr Alexander Koch.

The following auditing firms were responsible for auditing the individual financial statements of the subsidiaries: Breidenbach und Partner PartG mbB, Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Wuppertal, Germany; Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Düsseldorf, Germany; and Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, Germany. Audits of the foreign subsidiaries are largely conducted by international cooperation partners of our German auditors.

The auditor is appointed by the Annual General Meeting for a period of one financial year in accordance with legal requirements. The Annual General Meeting of 18 June 2020 agreed to the Supervisory Board's proposal and appointed Breidenbach und Partner PartG mbB, Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Wuppertal, Germany, as auditors of the annual and consolidated financial statements for financial year 2020 and for any potential audit of the abbreviated financial statements and interim Management Report as at 30 June 2020. The Chairman of the Supervisory Board appointed the auditor for the individual and consolidated financial statements in line with this resolution. The half-year interim report and/or first- and third-quarter statement were not audited in the reporting year.

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 is comprised of four members. The small size of the committee allows for 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. 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, 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 interests. Where applicable, Group losses are carried forward into the following year and offset against profits. 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 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 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 resulting 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 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 is comprised of four members. The small size of the board allows for 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. 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.

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 resulting 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 Report 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 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 interests. Where applicable, Group losses are carried forward into the following year and offset against profits. 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 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.

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 of the Executive Board)