

Declaration of compliance pursuant to Section 161 of German Stock Corporation Act

The Board of Management and the Supervisory Board last issued a declaration of compliance on September 30, 2020. Due to the amendment of the Board of Management remuneration system by the Supervisory Board in the meantime and its approval by the Annual General Meeting on May 7, 2021, as well as the publication of the new corporate governance statement on February 2, 2021 and further measures that led to a reduction of deviations from the German Corporate Governance Code (GCGCGCGC) in its current version, the publication of a new declaration of conformity during the year seems reasonable and appropriate.

The Board of Management and the Supervisory Board have therefore issued the following Declaration of Compliance pursuant to Section 161 of German Stock Corporation Law on the basis of the GCGCGCGC in the version dated December 16, 2019 on June 2, 2021:

„technotrans SE has complied with the recommendations of the GCGCGCGC in the version dated December 16, 2019 **since September 30, 2020** (publication of the last declaration of compliance) and will continue to do so in future, except for the following deviations:

Section A.2 (Whistleblower system)

The GCGCGCGC recommends in Section A.2 the establishment of a whistleblower system for employees. Such a whistleblower system was implemented as part of the compliance management system in the past months. At the time of publication of the last declaration, this system was still under construction. Therefore, a deviation was declared previously. Since the date of implementation and for the future, no deviation from this recommendation is to be declared.

Section B.1 (Composition of the Board of Management)

The GCGCGCGC recommends in section B.1 that the Supervisory Board should also take diversity into account in the composition of the Board of Management, which in the company's understanding also includes an appropriate consideration of women.

The Supervisory Board still does not consider membership of a particular gender to be a characteristic that would particularly qualify a candidate for a particular position and will therefore continue to disregard this criterion when selecting the most suitable candidate. When deciding on the appointment of new members to the Board of Management, therefore, the qualifications of the applicants will be taken into account as a matter of priority rather than their gender. The Supervisory Board also takes this into account when setting the target figures for the proportion of women on the Board of Management in accordance with Section 111 (5) of the German Stock Corporation Act (AktG) in conjunction with Section 9 para. 1 lit. c) (ii) SE Regulation.

Section B.2 (Succession planning), Section B.5 (Age limit)

In section B.2, the DKGCGC recommends long-term succession planning for the Board of Management and its description in the corporate governance statement. Likewise, the GCGC recommends in section B.5 the specification of an age limit for members of the Board of Management and their disclosure in the corporate governance statement. The Supervisory Board deals with succession planning for the Board of Management on an ongoing and long-term basis. In the past, however, the corresponding procedure was not described in more detail in the corporate governance statement, as there was also no corresponding GCGC recommendation until last year. The same applies to the age limit for Board of Management members set by the Supervisory Board. Both pieces of information were included in the corporate governance statement this year, so that no deviation will have to be explained in the future.

Section C.1 (Objectives for the composition of the Supervisory Board)

Section C.1 of the GCGC contains the recommendation that the Supervisory Board should specify concrete objectives for its composition and develop a competence profile for the entire body. The Supervisory Board should pay attention to diversity. Proposals of the Supervisory Board to the Annual General Meeting should take these objectives into account and at the same time aim to fill out the competence profile for the entire Board. The status of implementation is to be published in the corporate governance statement. The latter shall also provide information on the number of independent shareholder representatives deemed appropriate by the shareholder representatives on the Supervisory Board and the names of these members. The Supervisory Board has drawn up an objective and a competence profile in which it addresses both the composition of the overall body and the competences of the individual members. In doing so, it deals, among other things, with the desired internationality, diversity and independence, but also with the time availability of the individual Supervisory Board member. With regard to the criterion „Diversity“, which in the Company’s understanding also includes an appropriate consideration of women, the Supervisory Board continues not to place gender in the foreground, but rather orients itself – regardless of gender – to the knowledge and professional qualifications of the persons in question. The Supervisory Board also takes this into account when setting the target figures for the proportion of women on the Supervisory Board in accordance with Section 111 (5) of the German Stock Corporation Act in conjunction with Section 9 (1) lit. c) (ii) SE Regulation. The fact that this strategy can and should also strengthen diversity in terms of knowledge and professional qualifications has been demonstrated by the election of Ms Bauer. Furthermore, the Supervisory Board has refrained from setting a standard limit on the length of service on the Supervisory Board. Here too, in the interest of the company, membership of the Supervisory Board should be based solely on the knowledge and professional qualifications of the members. By the beginning of this year, the objectives, the status of implementation and the independence of the Supervisory Board members have been reported on in the corporate governance statement. This is to be continued in the future, so that no deviation from this recommendation is to be declared for the future.

Section C.7, C.10 (Independence of Supervisory Board members)

The GCGC contains several recommendations in Sections C.6 et seq. concerning the independence of the members of the Company’s Supervisory Board. In this context, the GCGC sets out in Section C.7 new, separate indicators for when a Supervisory Board member is to be classified as non-independent within the meaning of the Code. With regard to the duration of the terms of office of Mr Harling and Dr Bröcker, as well as his business relations, deviations from the recommendations in sections C.7 and C.10 were recently declared. With this year’s election of two new Supervisory Board members, Clause C.7 and Clause C.10 and the other recommendations on the independence of Supervisory Board members are complied with for the future. A declaration of deviation from these recommendations is therefore no longer necessary for the future.

Section D.1 (Rules of Procedure of the Supervisory Board)

In accordance with Section D.1, the GCGC recommends that the Supervisory Board adopt rules of procedure and publish them on the website. As there were no corresponding recommendation by the GCGC, the rules of procedure of the Supervisory Board were not published on the website in the past. Therefore, a deviation was declared in the last declaration of compliance, which concerned the revised GCGC for the first time. The rules of procedure of the Supervisory Board are now permanently published on the website. This deviation will therefore no longer apply in the future.

Section D.12 (Training and further training measures)

According to clause D.12, members of the Supervisory Board shall be supported in their inauguration as well as in training and further education measures, and this shall be reported on in the report of the Supervisory Board. Even though such support was common practice in the past, it was not reported in the report of the supervisory board due to the lack of a corresponding recommendation. Now, corresponding topics shall also be included in the report of the Supervisory Board; the corresponding deviation to item D.12 shall therefore be omitted for the future.

Section G.1 et seq. (Board of Management remuneration)

Sections G.1 – G.15 contain numerous new recommendations on the structure of the compensation system and the individual compensation of the Board of Management members, including the determination of variable compensation components and the assessment of customary practice. At the time of the last declaration of compliance, the Supervisory Board revised the remuneration system for the Board of Management of technotrans SE, among other things with a view to the provisions of the ARUG II and the new recommendations of the GCGC. The remuneration system for the Board of Management in force at that time, which was implemented before ARUG II and the update of the GCGC, deviated from the recommendations of Sections G.1, G.6, G.7 and G.10 of the GCGC in its current version. At the time of the declaration of compliance, it was not yet foreseeable whether and against which recommendations the new Board of Management remuneration system would deviate. Against this background, a deviation from all recommendations in G.1 to G.15 was declared as a precautionary measure with regard to the new system. However, with the remuneration system developed last year, implemented by the Supervisory Board and approved by the Annual General Meeting on May 7, 2021, the Board of Management remuneration system was aligned with the regulations of the ARUG II and all recommendations of the GCGC in its current version. Therefore, the most recently declared deviations from sections G.1 to G.15 will no longer apply in the future.“

Sassenberg, June 2, 2021

technotrans SE