

# COMPLIANCE STATEMENT

## PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The following declaration refers to the recommendations by the Government Commission on the German Corporate Governance Code pursuant to the version dated 24 June 2014 for the period up to 11 June 2015. With regard to the period starting on 12 June 2015, the declaration refers to the recommendations by the Government Commission on the German Corporate Governance Code in the version dated 5 May 2015 as published by the Federal Ministry of Justice in the official section of the Bundesanzeiger (Federal Gazette) on 12 June 2015.

In conformity with Section 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board of Viscom AG declare that, in principle, the recommendations by the Government Commission on the German Corporate Governance Code have been and are being complied with. The declaration has been made permanently available to the public on the company's website. The following recommendations have not been and will not be followed:

**1. The company has decided to exclude deductibles from its liability insurance (D&O insurance) for the Supervisory Board (Code section 3.8).**

The company has complied with the legal requirement to implement a deductible for Executive Board members pursuant to Section 93 paragraph 2 sentence 3 of the German Stock Corporation Act (AktG) in conjunction with Section 23 paragraph 1 sentence 1 of the Introductory Act to the German Stock Corporation Act (EgAktG) effective 1 July 2010, but continues to refrain from implementing a corresponding deductible for the Supervisory Board as well. In the company's view, the nature of the Supervisory Board mandate, which is also emphasised by differences in remuneration, makes it seem reasonable to differentiate between the Executive Board and Supervisory Board. Extending the D&O insurance deductible to members of the Viscom AG Supervisory Board therefore did not appear appropriate. Furthermore, a deductible for intentional infringement of

obligations does not come into question and a deductible in cases of negligence in other countries has been rather uncommon to date. There was and is, therefore, the concern that the agreement of a deductible may present an obstacle in the future with regard to the search for appropriate Supervisory Board candidates that also have international experience.

**2. The company has no Chairperson or Speaker of the Executive Board (Code section 4.2.1).**

Taking into account the number of Executive Board members, the Executive Board and the Supervisory Board are consequently of the opinion that, on a board with only three members, a Chairperson or a Speaker is not required. In addition, the law for stock corporations is based on a principle of consensus, i. e. on a collegial rather than a hierarchal Executive Board. A strong principle of consensus has prevailed within the Executive Board (and previously within the management) since the company was founded. All significant decisions are made together by the entire Executive Board at all times.

**3. The service agreements with the members of the Executive Board of Viscom AG provide for no payment caps on severance compensation in the case of early termination of the Executive Board mandate (Code section 4.2.3).**

The Executive Board contracts do not contain any provisions for a payment cap on severance compensation in the case of early termination of the Executive Board mandate of a maximum of two years' remuneration, including in the form of (modified) tying clauses. Legal enforcement of a cap on severance pay for the member of the Executive Board would often not be possible in the relevant cases. If there is neither a significant ground for dismissal in accordance with Section 84 paragraph 3 sentence 1 of the German Stock Corporation Act (AktG) nor a significant ground for the extraordinary termination of the employment contract in accordance with Section 626 of the German Civil Code (BGB), the contract with the Executive Board member

concerned can only be terminated subject to mutual agreement. In such cases, Executive Board members have no legal obligation to agree to caps on severance pay within the meaning of the recommendations of the Code. These (modified) tying clauses that link the termination of the Executive Board contract to dismissal on significant grounds and anticipate a cap on severance pay in such cases cannot be implemented unilaterally by the Supervisory Board against the will of the Executive Board member in question (deviation from Code section 4.2.3 paragraph 4).

**4. The Executive Board and Supervisory Board have not prepared any detailed long-term succession planning up to now (Code section 5.1.2).**

The Executive Board members Dr Martin Heuser and Volker Pape are also the founding members of the company. It is not possible to anticipate at this time if or when these Executive Board members will leave the company. As a result, the Executive Board and Supervisory Board have not prepared any detailed long-term succession planning for the Executive Board up to now. The Executive Board and Supervisory Board also believe that this recommendation in the Code pertains solely to internal succession planning, as external appointments cannot be planned for the long term.

**5. The Articles of Association and the standing rules for the Executive Board do not call for a maximum age limit for Executive Board members (Code section 5.1.2).**

Given the age structure of the current members of the Executive Board, this status quo needs not be questioned. The company

is also committed to ensuring access to the expertise of experienced members of the Executive Board. Any exclusion based solely on age does not appear expedient to the Executive Board and Supervisory Board, since the optimum composition of the Executive Board could thereby be prevented for merely formal reasons. An age limitation in the Articles of Association or the standing rules has been and is therefore deemed unnecessary.

**6. The Supervisory Board has not formed any committees, and in particular has not formed an audit committee (Code sections 5.3.1, 5.3.2, 5.3.3).**

The Supervisory Board consists of only three members. In the view of the Supervisory Board, the formation of an audit committee is not expedient under the specific circumstances of the company and – unlike in larger governing bodies – does not increase efficiency. All matters are addressed by all members of the Supervisory Board, so that the formation of additional committees is not considered necessary.

**7. The fixed remuneration for the Supervisory Board stipulated in the Articles of Association does not take account of Chairpersons or committee members (Code section 5.4.6).**

The lack of committees due to the small size of the Supervisory Board renders any further plan for the distribution of remuneration for Chairpersons and committee members unnecessary.

Hanover, 26 February 2016

The Executive Board

The Supervisory Board