

Declaration of compliance with the German Corporate Governance Code pursuant to section 161 of the German Stock Corporation Act

The Management and Supervisory Boards at Bertrandt AG declare herewith that, in compliance with section 161 of the German Stock Corporation Act (AktG) the recommendations from the governing commission of the German Corporate Governance Code (GCGC) in the version dated February 7, 2017, released in the German Federal Gazette on April 24, 2017 and amended on May 19, 2017 - were and will be generally adhered to. The recommendations listed under Sections 3.8 Para. 3, 4.1.3 Sentence 2, 4.1.5, 4.2.3 Para. 3, 4.2.5 Para. 3 and 4, 5.4.1 Para. 2 and 4, 5.4.1 Para. 6, 5.4.2 Sentence 1, 5.5.2, 5.5.3 Sentence 1 and 7.1.2 Sentence 3 of the GCGC were and will not be applied. Until February 20, 2019 Section 5.3.2 Para. 3 Sentence 3 GCGC GCGC was also not complied to. Since February 20, 2019 Section 4.2.1 Sentence 1 version 2 GCGC wasn't and will not be complied to.

The deviations from the individual recommendations are based on the following arguments:

Section 3.8 Para. 3 GCGC

Bertrandt AG has taken out a pecuniary damage liability insurance policy (a so called directors and officers insurance policy). In deviation from Section 3.8 Para. 3 of the GCGC, the policy has no deductible for supervisory board members. Bertrandt AG took out the insurance policy to preserve its interests in the event of hypothetical damage.

Section 4.1.3 Sentence 2 GCGC

Bertrandt AG has an adequate Compliance Management System, based on the risk situation of the company, that will be reported on pursuant to the provisions of the Gesetz zur Stärkung der nichtfinanziellen Berichterstattung der Unternehmen in ihren Lage- und Konzernlageberichten (CSR-Richtlinie-Umsetzungsgesetz). However, since the Code has not defined which demands in detail result from Section 4.1.3 Sentence 2 GCGC, especially in regard to what has to be reported, the Company declares with utmost precaution that deviations will be made to Section 4.1.3 Sentence 2 GCGC.

Section 4.2.1 Sentence 1 version 2

The Code recommends in Section 4.2.1 Sentence 1 version 2, that the Management Board shall have a chairman or a spokesperson. Following the departure of Mr. Bichler from the Management Board with the conclusion of the general meeting dated February 20, 2019, this is no longer the case.

Without such emphasis of an individual, the internal Rules of Procedure reflects the importance of overarching work for the development of the whole Bertrandt Group on the level of the Board of Management, through future-oriented leadership. Thereby the supervisory board also assigned, for the period after the general meeting on February 20, 2019, those tasks which so far had been executed by the chairman of the management board in its work through regulations in the internal Rules of Procedure for the management board and through the allocation of responsibilities to a specific member of the management board.

Section 4.2.3 Para. 3 GCGC

Deviations were made and will be made to Section 4.2.3 Para.3 GCGC. The Supervisory Board doesn't aim to a specific pension level for the members of the Management Board but a market and company compliant remuneration of the active work. Therefore, since February 21, 2019, no pension commitments exist towards any of the Management Board who are in the service of the Company.

Section 4.2.5 Para. 3 and 4 GCGC

Deviations were made and will be made to the recommendations in Section 4.2.5 Para. 3 and 4 GCGC, as, in the opinion of the company, by the applicable laws, which fully apply, a sufficient transparency of the Management Board's remuneration is achieved.

Section 5.3.2 Para. 3 Sentence 3 GCGC

The chairman of the Supervisory Board was for many years at the same time chairman of the examination board. This proved itself and therefore deviations were made to Section 5.3.2 Para. 3 Sentence 3 GCGC. With the new election of the shareholders' representatives on the

Supervisory Board at the general meeting on February 20, 2019, the opportunity was used to also adhere to Section 5.3.2 Para. 3 Sentence 3. That means that, since the constituent meeting of the supervisory board following the general meeting, the chairman of the supervisory board is not any longer at the same time chairman of the audit committee.

Section 5.4.2 Sentence 1 Half Sentence 1 as well as Section 5.4.1 Para. 2 and 6 GCGC

The Company believes that its Supervisory Board consists of an appropriate number of independent members. As the term “independent members” wasn’t finally defined in Section 5.4.2 Sentence 2 GCGC, the Company declares with utmost precaution that deviations will be made to Section 5.4.2 Sentence 1 Half Sentence 1 as well as to Section 5.4.1 Para. 2 GCGC.

The same applies to the recommendation listed under Section 5.4.1 Para. 6 GCGC, which suffers from not having been undoubtedly concretised by Para. 7, which is why the Company with utmost precaution declares a deviation in this respect as well.

Section 5.4.2 Sentence 1 Half Sentence 2 GCGC

Deviations to Section 5.4.2 Sentence 1 Half Sentence 2 GCGC were and will also be made. The business model of Bertrandt AG is based among other factors, on a reliable confidentiality with regard to our customer’s development processes and innovation cycles as well as on an effective protection of our customer’s business secrets; to strengthen the customer’s confidence in those company processes, there is no representative of an shareholder on the Supervisory Board of the Company, who is at the same time also a customer of the Company.

Section 5.4.1 Para. 2 and 4 GCGC as well as Section 4.1.5 GCGC

Deviations were made and will be made to Section 5.4.1 Para. 2 and 4 GCGC as well as to Section 4.1.5 GCGC. Bertrandt AG places primarily great emphasis on experience, capability and individual knowledge when hiring members of the Management Board and Supervisory Board as well as for any other leadership position material to the company. The Company is of the opinion that, even taking into account the aspects named in Section 5.4.1 Para. 2 GCGC, the Supervisory Board is appropriately staffed. To not restrict its future search for candidates

from the start on, the Supervisory Board foregoes to decide on a strict competence profile or concrete objectives. In consideration of that fact, the Company has not defined a regulatory time period for the length of membership to the Supervisory Board as foreseen in 5.4.1 Para. 2 GCGC.

Without the definition of concrete objectives or a competence profile deviations were necessarily made and will be made to the recommendations in Section 5.4.1 Para. 4 GCGC.

Section 5.5.2 and Section 5.5.3 Sentence 1 GCGC

The Supervisory Board has in its Rules of Procedure independently formulated its own regulations governing the handling of conflicts of interest which deviates from the recommendations in Section 5.5.2 and 5.5.3 Sentence 1 GCGC. The Supervisory Board's Rules of Procedure oblige every Supervisory Board Member to disclose conflicts of interest to the Chairman of the Supervisory Board; the Chairman of the Supervisory Board is obliged to provide disclosure to the Vice-Chairman. Such stipulations exceed Section 5.5.3 Sentence 1 GCGC and do not differentiate as to whether the conflict of interest is material or only temporary but include every possible conflict. The waiving of the public disclosure of such statements also allows the supervisory board members to confidentially discuss violations that are in reality not violations but merely appear so in full confidentiality with the chairperson.

Section 7.1.2 Sentence 3 GCGC

Bertrandt AG has published on February 18, 2019 its report for the 1st quarter of the business year 2018/2019, on June 6, 2019 for the 2nd quarter and on August 22, 2019 its report for the 3rd quarter. Bertrandt AG always fulfils with its reporting the strict requirements of the Prime Standards of the German Stock Exchange. As long as the German Corporate Governance Code is not synchronised with the regulations of the Prime Standards, Bertrandt AG had reserved and reserves the right to deviate from Section 7.1.2 Sentence 3 GCGC.

Ehningen, September 23, 2019

The Supervisory Board

Dietmar Bichler
Chairman

Horst Binnig
Vice-Chairman

The Management Board

Hans-Gerd Claus
Member of the
Management Board

Michael Lücke
Member of the
Management Board

Markus Ruf
Member of the
Management Board