

Declaration of Compliance 2019

Declaration on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Executive Board and the Supervisory Board of Schaltbau Holding AG submitted the last Declaration of Compliance pursuant to section 161 of the German Stock Corporation Act (AktG) on 19 December 2018. The following declaration relates to the recommendations in the version of the Code dated 7 February 2017 and published in the electronic Federal Gazette on 24 April 2017 and 19 May 2017 (revised version).

The Executive Board and the Supervisory Board of Schaltbau Holding AG hereby declare that the recommendations of the "Government Commission on the German Corporate Governance Code" have been and are being observed, with the following exceptions:

Re 3.8:

- The D&O insurance policy taken out by Schaltbau Holding AG does not provide for a deductible for the members of the Supervisory Board. Schaltbau Holding AG is of the opinion that the motivation and responsibility with which the members of the Supervisory Board perform their tasks cannot be improved by the introduction of a deductible and has thus decided to refrain therefrom.

Re 4.2.3:

- The contracts of service for Executive Board members do not include payment arrangements pertaining to the premature termination of their positions in the Executive Board resulting from a change of control. Therefore, if a position on the Executive Board is prematurely terminated, the necessary flexibility is retained to allow an appropriate agreement to be reached in keeping with the particular situation. The contracts of service for Executive Board members contain payment arrangements and the basis for calculating them in the event of premature termination of their positions in the Executive Board.

Re 4.2.4 / 4.2.5:

- Based on the resolution taken at the Annual General Meeting on 14 June 2016, the total compensation of each individual member of the Executive Board will not be

disclosed. The resolution applies to the disclosure of the compensation of Executive Board members for the fiscal years 2016 to 2020.

Re 5.1.2:

- Due to the function of Schaltbau Holding AG as holding company, the number of staff members it employs is limited. For this reason, a long-term succession plan primarily based on the selection of potential internal successors is difficult to implement. In view of the current ages of the Executive Board members and the terms of their appointments, there is currently no age limit in place for Executive Board members.

Re 5.3.3:

- The Supervisory Board has not formed a Nomination Committee that exclusively consists of shareholder representatives. A Nomination Committee was not appointed, particularly in view of the fact that a consistent flow of all company and other relevant information to all members of a six-person Supervisory Board is eminently achievable. Furthermore, the current practice of preparing personnel decisions to be taken by the Supervisory Board concerning the Executive Board in the Personnel Committee has proven to be efficient.

Re 5.4.1:

- The provisions set out in articles 8 and 9 of the Articles of Association in their current version govern the composition of the Supervisory Board, the term of office of its members and their resignation from office. In this context, the Supervisory Board ensures that its members have the requisite knowledge, skills and professional experience to perform their duties in a proper manner.
- Despite the Supervisory Board having refrained from setting specific targets for its composition to date, it fundamentally aims to increase the percentage of female members on a sustained basis.
- An age limit and a standard limit for the length of service on the Supervisory Board have not been set to date, as the Supervisory Board is of the opinion that the individual knowledge and experience of its members is of vital importance for the appointment to such a position. If membership were terminated solely on the basis of a fixed age limit, the Company would be deprived of that knowledge and experience without sufficient reason.

- To date, the Company has not published the CVs of the Supervisory Board members on its website and does not provide any information in the Corporate Governance Report on a competence profile for the full Supervisory Board. Furthermore, the Company's Corporate Governance Report does not yet provide information on the appropriate number of independent members in the opinion of the Supervisory Board and the names of these members.

Re 5.4.6:

- The compensation of Supervisory Board members has not been individually disclosed, as the compensation structure is already set out in the Articles of Association. The level of compensation is partially dependent on the amount of work performed. Committee memberships are compensated on a fixed basis.

Munich, 12 December 2019

Executive Board and Supervisory Board

Schaltbau Holding AG