

## **Declaration of Conformity by SIMONA AG regarding the German Corporate Governance Code**

**On 6 April 2021, the Management Board and Supervisory Board issued the following Declaration of Conformity in accordance with Section 161 of the Stock Corporation Act (Aktiengesetz – AktG):**

Since the last Declaration of Conformity issued on 3 April 2020, SIMONA AG (hereinafter referred to as "SIMONA") has complied and continues to comply with the recommendations of the Government Commission of the German Corporate Governance Code in the version of 20 March 2020, with the exception of the following departures:

### **Transparency and external reporting – Principle 21 (Recommendation F2)**

Explanation: SIMONA publishes its consolidated financial statements in compliance with statutory schedules of disclosure. Owing to the procedures defined for the preparation of financial statements, the aim being to deliver the greatest possible transparency and accuracy, earlier publication would not be feasible.

### **Remuneration of the Management Board – Principle 23 (Recommendation G7)**

Explanation: The Supervisory Board has defined only the sustained direction taken by the company's operating profit as the performance criterion for variable remuneration components. Strategic objectives are nevertheless agreed with each Management Board member on an annual basis.

### **Remuneration of the Management Board – Principle 23 (Recommendation G10)**

Explanation: Variable remuneration granted to the members of the Management Board is not share-based. SIMONA AG holds no treasury shares that could be made available for the purpose of granting such share-based remuneration. Furthermore, due to the small free float and the associated low trading volume, the members of the Management Board would not be able to invest any variable remuneration granted predominantly in shares of the company.

### **Remuneration of the Management Board – Principle 23 (Recommendation G11)**

Explanation: The employment contracts of the Management Board members do not currently provide for the possibility of withholding or reclaiming any variable remuneration. The Supervisory Board is of the opinion that the method of linking variable remuneration to the company's EBIT performance takes sufficient account of the effects of extraordinary events.

**Remuneration of the Supervisory Board – Principle 24 (Recommendation G17)**

Explanation: The Articles of Association of SIMONA include provisions outlining special compensation in respect of the role of chairperson and deputy chairperson of the Supervisory Board. Additionally, membership of Supervisory Board committees is subject to special compensation. By contrast, no separate compensation is payable in respect of the chairmanship of a committee, and such a policy is not deemed necessary at present.

**Remuneration of Management Board and Supervisory Board – Principle 25**

Explanation: On 10 June 2016, the Annual General Meeting of Shareholders of SIMONA agreed by the requisite three-quarter majority to disclose Management Board compensation in an aggregated format, divided into fixed and performance-related components, rather than disclosing each amount by name. Therefore, no itemised presentation for each Management Board member, detailing specific compensation parameters and using the recommended model tables, shall be provided by the company. This resolution applies to the financial years 2016 - 2020.

Kirn, 6 April 2021

SIMONA AG

Supervisory Board and Management Board