

SIMONA AG Declaration of Conformity with the German Corporate Governance Code

On 3 April 2020, the Management Board and Supervisory Board issued the following Declaration of Conformity in accordance with Section 161 of the Stock Corporation Act (Aktiengesetz – AktG):

The recommendations of the Government Commission of the German Corporate Governance Code in the version dated 7 February 2017 have been complied with since the last Declaration of Conformity was issued on 24 February 2020 up to the present day, with the specified exceptions. The recommendations of the Government Commission of the German Corporate Governance Code, as amended on 20 March 2020, have been complied with by SIMONA AG (hereinafter referred to as "SIMONA") since their publication in the Federal Gazette and continue to be complied with, with the following exceptions:

Appointments to the Management Board – Principle 9 (Recommendation B2)

Explanation: The Management Board was newly appointed in 2019 with regard to all Board positions. A concept in respect of long-term succession planning will be drawn up as part of the final assignment of areas of responsibility. This concept is to be prepared in the course of 2020.

Cooperation within the Supervisory Board and with the Management Board – Principle 14 (Recommendation D5)

Explanation: For the time being, no Nomination Committee exists. The Board plans to form a Nomination Committee in view of the upcoming elections of shareholder representatives to the Supervisory Board in 2021.

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 direction taken by the company's operating profit as the performance criterion for variable remuneration components. Strategic objectives are nevertheless agreed annually with each member of the Management Board and their achievement is monitored using a balanced scorecard.

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.

Kirn, 3 April 2020

SIMONA AG

Supervisory Board and Management Board