



BOARD OF DIRECTORS

REPORT OF THE BOARD OF DIRECTORS

DEAR SHAREHOLDERS,

The Annual General Meeting of MAX Automation AG adopted the resolution on 30 June 2017 to change the company to MAX Automation SE while preserving its legal identity. The conversion became effective upon entry of the change of form in the commercial register on 8 February 2018. Until the entry in the commercial register, MAX Automation AG had a two-tier management structure consisting of a Management Board and a Supervisory Board. Since this time, the Board of Directors has been managing the Company, determining the basic outlines of its operations, and overseeing their implementation by the Executive Directors.

The Board of Directors, appointed pursuant to Section 7 of the Articles of Association of MAX Automation SE, reports as follows to the Annual General Meeting in accordance with Section 47 (3) of the Act implementing Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (SE Implementing Act - SE-Ausführungsgesetz - SEAG) in conjunction with Section 171 (2) of the German Stock Corporation Act (Aktiengesetz - AktG):

General information

The Supervisory Board, whose members have all sat on the Board of Directors since the conversion became effective, fully performed the duties and obligations incumbent on it under the law and the Articles of Association until such time as the conversion became effective on 8 February 2018 and therefore also at the beginning of 2018, the year under review.

We hereby report in detail as follows on the work of the Supervisory Board until the conversion and on the work of the Board of Directors from the conversion onwards:

Supervisory Board

The Supervisory Board of MAX Automation AG oversaw the Management Board with great care and due diligence, within the scope of the duties imposed on it by law, the Articles of Association, and the Rules of Procedure, in the financial year of 2018 until the conversion took effect upon its entry in the commercial register. All the major projects of the Management Board, the individual divisions of the Company and the activities of the subsidiaries as well as the respective results were most notably discussed in detail and critically scrutinised at the meetings. The Supervisory Board advised the Management Board both on strategic issues and on key individual measures. On the one hand, the focus was on longer-term internal and external corporate growth and, on the other hand, on issues of management including compliance, risk management and internal control and audit systems.

The Supervisory Board was kept updated by the Management Board, both at meetings and outside meetings and both verbally and in writing, on the current course of business, the trend in earnings, major projects, and variance from planned developments by means of continuous target/actual performance comparisons. All the reports were the subject of in-depth discussions within the Supervisory Board and also between the Supervisory Board and the Management Board. The development prospects and the strategic direction of the Company were also discussed in detail with the Management Board, including financial, investment and personnel planning as well as any risks. The Chairman and Deputy Chairman of the Super-

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visory Board were in regular contact with the Management Board over and above the Supervisory Board meetings, thereby ensuring that they were kept informed about the current development of the business situation and the main business transactions. The Management Board involved the Supervisory Board in all the relevant decisions.

Board of Directors

The Board of Directors gave its full attention to the strategic, economic and personnel development of MAX Automation SE and of the Group in the financial year of 2018. On the basis of the relevant verbal and written reports of the Executive Directors on the business situation of MAX Automation SE and of the Group, the Board of Directors monitored the management of MAX Automation SE in the financial year of 2018 in accordance with the provisions of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (SE Regulation (SE-Verordnung - SE-VO)), the SE Implementing Act (SEAG) and the German Stock Corporation Act (AktG). Among other things, the reports of the Executive Directors related to fundamental issues of fiscal and investment policy and to the profitability and risk situation of MAX Automation SE and of the Group. Other points of focus were the situation of the IWM companies (IWM Automation Bodensee GmbH, IWM Automation GmbH, IWM Automation Polska Sp.z.o.o.), the sale of the subsidiaries in the field of special-purpose machines/assembly lines for automotive customers, the sale of NSM Packtec GmbH, and the acquisition and integration of MAX Automation (Shanghai) Co. Ltd. The Board of Directors performed the duties incumbent upon it under the law and the Articles of Association of the Company with great care and due diligence, and gave its full attention to the business transactions of the Company and of the Group.

Regular reports were submitted to the Board of Directors on the course of business, with analyses on the divergence from the budget plans and from the previous year, including the documentation on the liquidity and financial situation. All business transactions requiring approval were discussed in detail with the Executive Directors and – where necessary – approval was granted.

The members of the Board of Directors also maintained close contact with the Executive Directors outside the meetings. They also obtained information on the situation and development of the individual companies and of the Group by means of verbal and written reports, discussed the reports of the Executive Directors, and consulted at length with the Executive Directors on issues of business policy, business development and the further progression of the Company and of the Group.

On the basis of the reports and information provided by the Executive Directors, the Board of Directors was satisfied that the management of the Company was in order. The Board of Directors also made certain, by interviewing the Executive Directors, the managers of the subsidiaries and the auditor, that all the requirements of the risk management system were met, both in the parent company and in the Group.

Meetings of the Supervisory Board and the Board of Directors and resolutions passed outside meetings

The Supervisory Board conducted a telephone meeting on 2 February 2018 to discuss the personnel issue of Fabian Spilker and to authorise the Chairman of the Supervisory Board to negotiate a severance agreement.

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The Board of Directors met 10 times in the year under review in person and in telephone sessions. All the members of the Board of Directors attended all the meetings. Before the change entailing the preservation of identity was entered in the register, the Board of Directors convened and, subject to the condition precedent of the change preserving identity, passed the resolutions which were necessary to ensure that the Company had due capacity to act in a seamless transition from the time of the conversion.

A Personnel Committee and an Audit Committee were formed in 2018. At its meetings, the Board of Directors dealt with the important business events, corporate planning, and the economic situation of MAX Automation SE and of the MAX Automation Group.

The monitoring and advisory input of the Board of Directors in the Board meetings related primarily to the following matters:

Mr. Andreas Krause was appointed Managing Director of MAX Automation SE with effect from 1 April 2018 in the telephone meeting on 2 February 2018.

At the accounts review meeting on 23 March 2018, the Board of Directors focused on the audit of the Annual and Consolidated Financial Statements, the Combined Management Report and Group Management Report for the financial year of 2017 and on the proposal for the appropriation of the net income. In addition to its own examination, the Board of Directors gave its attention to the inspection conducted by the auditor and the results of the audit, and discussed these in detail with the auditor present at the meeting. This meeting also focused on the development of the subsidiaries at the beginning of the financial year of 2018, the analysis of the working capital, the integration of MAX Automation (Shanghai) Co., Ltd., the sale of NSM Packtec GmbH, M&A issues and the agenda for the Annual General Meeting. The regular declaration of compliance with the German Corporate Governance Code ("GCGC"), as published in the Federal Gazette (Bundesanzeiger) of 7 February 2017, was also adopted pursuant to Art. 9 (1) subs. c) (ii) of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (SE Regulation) and Section 22 (6) of the SE Implementing Act (SEAG) in conjunction with Section 161 (1) of the German Stock Corporation Act (AktG), and the proportion of women on the Board of Directors and in the next tier of management was fixed.

Personnel issues and a strategy for the location of IWM Automation Bodensee GmbH were discussed in the telephone meeting on 15 May 2018.

In addition to the business development of the Group companies and of the Group in the financial year of 2018, the problem areas of the IWM companies were discussed in depth at the meeting on 22 June 2018, and the 2021 strategy was reviewed against the background of a possible exit from the Mobility Automation segment, and various M&A issues were raised. The Rules of Procedure of the Board of Directors were also amended and the Personnel Committee was formed at this meeting.

The telephone meeting on 17 July 2018 focused on the restructuring of IWM Automation Bodensee GmbH, and IMW Automation GmbH, and on the introduction of uniform Group accounting standards and of an ERP system landscape.

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A decision was made in the telephone meeting on 13 September 2018 on an advance payment guarantee for a project of NSM Packtec GmbH which had already been sold.

The Executive Directors reported once again and in more detail on the business development of the Group and of the segments at the meeting on 24 and 25 September 2018, making particular reference to the measures taken at IWM Automation Bodensee GmbH, and IWM Automation GmbH, the sale of the companies in the Mobility Automation segment, and the strategic direction of Vecoplan AG and of ESSERT GmbH. Personnel matters and the structure of MAX Automation Holding were also discussed. The decision was also taken to re-advertise for the auditor.

The MBO considerations of the management of AIM Micro Systems GmbH and the appointment of a new Managing Director of INDAT Robotics GmbH were discussed in the telephone meeting on 18 October 2018.

A possible bridging loan up to the time of the capital increase at ESSERT GmbH was discussed in the telephone meeting on 12 November 2018, and it was decided that a capital increase should be carried out after the 2018 Annual Financial Statement has been audited. In the resolution by circulation passed on 22 November 2018, the Executive Directors were instructed to pursue the MBO considerations regarding the sale of the shares in AIM Micro Systems GmbH further, after this had been discussed in detail at the meeting on 12 November 2018.

Various subjects were discussed at the meeting on 19 December 2018, starting with the course of business in 2018 with regard to the report on the Group as a whole and on the individual Group companies and the results. The status of the measures relating to the IWM companies was then discussed and the report of the Audit Committee and the selection process of the auditor were explained. The planning for 2019 was then raised and discussed, and updates were issued on the progression of the sale of certain Group companies. Personnel matters in general and with specific regard to the vacancies on the Vecoplan Supervisory Board and the vacancies on the Essert GmbH Advisory Board were discussed and resolved.

The Board of Directors also passed resolutions by circulation outside the meetings. These related in particular to an amendment of the Articles of Association of MAX Automation SE in accordance with the 2017 Conversion Plan, personnel matters, the sale of NSM Packtec GmbH, investments, the measures regarding the IWM Group, the improvement of the annual financial reporting processes and, related to this, the internal inspection system as part of the Next Level Corporate Reporting project.

The Board of Directors also regularly reviewed the monthly reports presented at the Board meetings. These contain information on the trend in sales and earnings of the companies and of the Group by segment as well as the presentation and analysis of the liquidity and financial situation and of any departures from the budget. The risk management system is also discussed regularly.

Organisation of the work of the Board of Directors

The following committees were appointed in 2018, pursuant to Section 34 (4) clause 1 SEAG, in order to optimise the processes and voting procedures within the Board of Directors.

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Personnel Committee

The Personnel Committee held its constituent meeting on 22 June 2018 and met eight further times in 2018. Within the scope of its responsibilities, it dealt with personnel matters relating to the Executive Directors and their contracts and also engaged with the principles of human resources management and personnel development. The Personnel Committee also met to discuss the future management structure of MAX Automation SE and to authorise the search assignments for a further member of the Board of Directors and a manager for the Evolving Technologies business unit.

Members of the Personnel Committee in financial year 2018:

- Oliver Jaster (Chairman)
- Dr. Jens Kruse
- Gerhard Lerch

Audit Committee

The Audit Committee held its constituent meeting on 25 September 2018 and met three further times in 2018. In addition to advertising for the auditor for the Annual and Consolidated Financial Statements for the financial year of 2019, it dealt with the Company's planning for 2019 and the improvement of the annual financial reporting processes and, related to this, the internal inspection system as part of the Next Level Corporate Reporting project. It also discussed the status of the divestment process of the companies in the field of special-purpose machines/assembly lines for automotive customers and the new management structure from April 2019 onwards.

Members of the Audit Committee in financial year 2018:

- Dr. Jens Kruse (Chairman)
- Oliver Jaster
- Andreas Krause

Changes in personnel

Mr. Fabian Spilker, Member of the Management Board of MAX Automation AG, and Managing Director and Member of the Board of Directors of MAX Automation SE since the conversion became effective, resigned from office with effect from the end of the Annual General Meeting on 18 May 2018.

The Board of Directors appointed Mr. Andreas Krause as Managing Director (CFO) of MAX Automation SE for a term of three years with effect from 1 April 2018. In a proposal to the Annual General Meeting of MAX Automation SE, the Board of Directors nominated Mr. Krause for election to the Board of Directors of the Company. The Annual General Meeting of MAX Automation SE acted on this proposal.

Mr. Gerhard Lerch resigned as Chairman of the Board of Directors with effect from 31 December 2018 on grounds of age. Dr. Ralf Guckert was appointed as his successor by the District Court of Düsseldorf (Amtsgericht Düsseldorf) by way of the resolution dated 24 January 2019. His appointment will stand until the next Annual General Meeting of MAX Automation SE.

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Mr. Daniel Fink will resign as Managing Director and Member of the Board of Directors on expiry of his contract of service on 31 March 2019. With regard to the future management structure, Daniel Fink and the Company have agreed that he will be released from his duties with effect from 4 February 2019. MAX Automation SE will be managed by Mr. Andreas Krause alone until 1 April 2019.

Risk management

All risk areas, as identifiable from the perspective of the Board of Directors, were discussed. The Board of Directors is satisfied that the Executive Directors have put in place a functioning risk management system. The risk management procedures were examined by the auditor. The auditor has confirmed that the Executive Directors have taken the measures required under Art. 9 (1) subs. c) (ii) SE-VO and Section 22 (6) SEAG in conjunction with Section 91 (2) AktG and have established a monitoring system which is capable of the early detection of developments which could jeopardise the continued existence of the Company and of the Group. The auditor did not identify any events to be reported to the Board of Directors in the course of this audit.

Separate and Consolidated Financial Statements 2018

As a capital market-orientated company pursuant to Art. 9 (1) subs. c) (ii) and Art. 61 SE-VO in conjunction with Section 316 (1) clause 1, Section 267 (3) clause 2 and Section 264 d) of the German Commercial Code (Handelsgesetzbuch - HGB), MAX Automation SE is subject to statutory auditing duties. The Annual Financial Statement for MAX Automation SE and the Consolidated Financial Statement for the year ending 31 December 2018 and the Combined Management Report and Group Management Report together with the bookkeeping system, were inspected by the auditor, Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Hannover, and issued with unqualified audit certificates. The auditor thereby confirmed that, in its opinion based on the findings of the audit, the Annual Financial Statement and the Consolidated Financial Statement give a true and fair view of the net assets, financial position and results of operations of MAX Automation SE and of the Group in accordance with the applicable financial reporting framework. The auditor also confirmed that the Combined Group Management Report and the Management Report are consistent with the Annual and Consolidated Financial Statements and provide a true picture of the overall situation of MAX Automation SE and of the Group and accurately reflect the opportunities and risks of their future development.

The auditor was appointed by the Annual General Meeting on 18 May 2018 at the proposal of the Board of Directors and was instructed in writing by the Board of Directors after the Annual General Meeting to audit the accounts. The Board of Directors also agreed with the auditor that the latter would duly inform it and note in the audit report if facts were discovered during the course of the audit which indicate an inaccuracy in the statement issued by the Board of Directors, including the Executive Directors, regarding the German Corporate Governance Code (GCGC), as amended 7 February 2017 and published by the Federal Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) on 24 April 2017. Before proposing Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Hannover, to the Annual General Meeting as auditor for the Annual and Consolidated Financial Statements, the Board of Directors had received confirmation from the auditor, addressed in writing to the Chairman of the Board of Directors, that there were no circumstances which could affect its independence as auditor or give rise to doubts as to its impartiality. The auditor also declared the extent to which services aside from the audit had been performed for the Company in the previous financial year or had been contractually agreed for

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the following year. It was also agreed with the auditor that the Chairman of the Board of Directors would be informed without delay of any grounds for disqualification or conflicts of interest which might arise during the audit, unless these are immediately remedied. It was further agreed that the auditor would report immediately on all findings and events of importance to the remit of the Board of Directors which arise in the course of conducting the audit.

The drafts and copies of the accounting documents for the Company and for the Group as well as the proposal of the Executive Directors for the appropriation of the net income were submitted to the Board of Directors in sufficient time in advance to allow a thorough examination of all the documents.

At the accounts review meeting of the Board of Directors on 4 March 2019, the Executive Directors explained the accounting and consolidated accounting procedures and put forward their proposal for the appropriation of the net income. Questions asked by the Members of the Board of Directors were also answered by the Executive Directors. The Board of Directors examined the accounting documents after they had been explained by the Executive Directors, taking due account of the audit reports issued by the auditor. The auditor, who was present at the accounts review meeting of the Board of Directors, reported in detail on the audit and on the results of the audit, explained the audit report and answered the questions asked by the Members of the Board of Directors.

The auditor also reported that the audit had not revealed any significant weaknesses in the internal control and risk management system with regard to the accounting process as defined in Section 171 (1) clause 2 AktG. The auditor added that there were no circumstances which would give cause for concern regarding conflicts of interest and informed the meeting which services were provided by the auditor aside from the audit. The Board of Directors came to the conclusion that the auditor had the required impartiality.

Having assessed the procedures, the Board of Directors was satisfied that the audit had been conducted in due and proper form by the auditor. It was confident, most importantly, that the audit reports – and the audit itself – complied with the legal requirements. The Board of Directors subsequently gave its approval to the result of the audit and, in the absence of any objections to the final outcome of its own review, it adopted the Annual Financial Statement, the Consolidated Financial Statement and the combined management report on the Company and the Group (including the Corporate Governance Statement pursuant to Section 289f HGB). The Annual Financial Statement is therefore approved. In its assessment of the situation of the Company and the Group, the Board of Directors agrees with the assessment expressed by the Executive Directors in the combined report on the position of the Company and of the Group. This also applies in particular to the statements on the further development of the Company. The Board of Directors examined and endorsed the proposal submitted by the Executive Directors for the appropriation of the net income, especially in consideration of the development of the Company, the impact on liquidity, and the shareholder interests.

The Board of Directors also included the Corporate Governance Statement in its audit and expressly approved it.

The Board of Directors also examined the non-financial report to be prepared separately pursuant to Section 289 b) and Section 315 b) HGB.

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Finally, the Board of Directors passed this report to the Annual General Meeting at its accounts review meeting on 4 March 2019.

Conformity Statement

The Supervisory Board and the Board of Directors looked into the rules for good business management ("Corporate Governance") in detail in the financial year of 2018, especially as a result of converting to the monistic SE structure.

The Board of Directors issued the annual Conformity Statement on 23 March 2018, pursuant to Art. 9 (1) subs. c) (ii) SE-VO and Section 22 (6) SEAG in conjunction with Section 161 (1) AktG, and published it on the Internet. Further details on the principles of Corporate Governance and their implementation are presented here.

The Board of Directors conducted an efficiency review in 2018 in accordance with the requirements set out in subs. 5.6 of the GCGC. The Members of the Supervisory Board and, following the conversion to MAX Automation SE, also the Members of the Board of Directors individually satisfied the further training brief imposed on them under subs. 5.4.5 (2) of the GCGC by reading the latest literature on the relevant subjects and/or by attending events, especially on issues relating to the proper performance of the duties, Corporate Governance and financial reporting.

The Board of Directors also examined the report submitted to it on relations with affiliated enterprises for the financial year of 2018 (Dependency Report) in accordance with the requirements set out in Section 314 AktG. The Dependency Report was also inspected by the auditor and the following confirmation was issued:

After our dutiful examination and assessment, we confirm that:

- a) the actual details of the report are correct and
- b) the company's performance in the transactions listed in the report was not unreasonably high.

The auditor's report on the Dependency Report was also made available to all the Members of the Board of Directors. The Board of Directors did not raise any objections following the explanation by the auditor and the Executive Directors. It noted and approved the results of the audit of the Dependency Report by the auditor.

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Conflicts of interest and action in response

Any transactions between MAX Automation SE or companies of the MAX Automation Group and companies which involve individual Members of the Board of Directors are discussed by the Board of Directors. The relevant Members of the Board of Directors do not take part in the discussion or participate in the adoption of any resolutions in order to avoid even the mere appearance of a conflict of interest. The same procedure was followed in the event of conflicts of interest on the part of Members of the Supervisory Board of MAX Automation AG. The requirements set out in subs. 5.5 of the GCGC were thereby met in full.

The Board of Directors would like to thank the Executive Directors and former Management Board Members as well as the Management Boards and Executive Directors of the subsidiaries and all employees of the MAX Automation Group for their hard work, dedication and success in the past financial year.

Düsseldorf, 28 February 2019

Chairman of the Board of Directors

Dr. Jens Kruse



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In accordance with the recommendation in section 3.10 of the German Corporate Governance Code (GCGC) of 7 February 2017, the Board of Directors and the Executive Directors report as follows on the Corporate Governance of MAX Automation SE.

Compliance with nationally and internationally recognised standards for business management accountability and oversight (Corporate Governance) is an important criterion for investors when making investment decisions. MAX Automation SE sees the German Corporate Governance Code as a suitable means of securing and strengthening the confidence of the capital market in the Company and in the MAX Automation Group. The following Corporate Governance Report summarises the main Corporate Governance principles which are relevant for the management of MAX Automation SE.

General information on the management structure

Until its conversion to MAX Automation SE with the entry in the commercial register on 8 February 2018, MAX Automation AG was subject in particular to the provisions of German stock corporation law, the capital market regulations, and the provisions of the Articles of Association. MAX Automation AG had a two-tier management and oversight structure with its Management Board and Supervisory Board. The Management Board and Supervisory Board were committed to the interests of the shareholders and to the good of the Company and felt bound to their duty in this regard. Their internal arrangements were laid down in Rules of Procedure which supplemented the statutory provisions and the Articles of Association. The Annual General Meeting was the third governing body of the Company.

Following its conversion to an SE, MAX Automation SE is subject in particular to the provisions of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (SE Regulation (SE-Verordnung - SE-VO)), of the Act Implementing Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (SE Implementing Act (SE-Ausführungsgesetz - SEAG)) and remains subject to the majority of the provisions set out in German stock corporation law and, as before, to the capital market regulations and to the provisions of the Articles of Association adopted for the SE. MAX Automation SE has a monistic management structure which is characterised by the fact that the responsibility for the management of the SE is vested in a single management body, the Board of Directors. The Executive Directors conduct the business of the Company. As the Management Board and Supervisory Board before them, the Board of Directors and the Executive Directors feel committed to the interests of the shareholders and to the good of the Company. Their internal arrangements are laid down in Rules of Procedure which supplement the provisions and the Articles of Association. The Annual General Meeting is the second governing body of the Company.

Supervisory Board of MAX Automation AG

The Supervisory Board of MAX Automation AG, which was in office until the conversion to an SE became effective upon the commercial register entry of the Company on 8 February 2018, consisted of three Members who were elected by the Annual General Meeting. The Supervisory Board advised and oversaw the Management Board in its management of the Company.

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The Rules of Procedure of the Supervisory Board provided for clear and transparent procedures and structures as part of the monitoring and control process.

The Management Board and Supervisory Board worked closely together and in a spirit of trust in the interests of MAX Automation AG. The focal points of the cooperation between the Management Board and the Supervisory Board can be found in the "Report of the Board of Directors" which is an integral part of the business report.

In addition to the statutory provisions, the Supervisory Board was guided in its proposals for the election of the Members of the Supervisory Board solely by the professional and personal suitability of the candidates and by appropriate considerations of expediency in support of the purpose and role of the Supervisory Board. These included, for example, the affiliation of Members with relevant business experience (cf. explanatory notes in the Conformity Statement with the Code subs. 5.4.1). The Supervisory Board refrained from stating more concrete objectives for its composition, especially as the mere naming of such concrete objectives does not necessarily entail an improvement in the quality of the work of the Supervisory Board.

Management Board of MAX Automation AG

The Management Board of MAX Automation AG, which was in office until the conversion to an SE became effective upon entry in the commercial register on 8 February 2018, managed the Company, conducted its business, and was bound by the interests of the Company in these actions. The objective of its work was to increase the sustainable value of the Company. It developed the strategy of the Company, discussed and agreed the direction with the Supervisory Board, and ensured that the strategy was adopted. It was also responsible for the Company's annual and multi-year planning and for preparing the legally required reports, such as the Annual/Consolidated Financial Statements and interim reports. It also ensured appropriate risk management and risk control as well as regular, prompt and detailed reports to the Supervisory Board on all issues of strategy, corporate planning, business development, the risk situation and risk management relevant to the Company and to the Group.

The Supervisory Board had defined the information and reporting obligations of the Management Board in more detail. Major transactions were subject to the approval of the Supervisory Board. Measures and transactions of fundamental importance were communicated to the shareholders and to the capital market in good time in order to allow transparency in decision-making processes throughout the year and to keep the operators in the capital market adequately informed. The Rules of Procedure of the Management Board dictated which transactions were subject to approval.

Board of Directors of MAX Automation SE

The Board of Directors of MAX Automation SE, which has been in office since the conversion became effective upon the commercial register entry of the Company on 8 February 2018, manages the Company, determines the basic foundations of its activities, and oversees their implementation by the Executive Directors. It appoints and dismisses the Executive Directors, decides on their compensation system and sets the respective compensation levels.

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The Board of Directors is composed of five Members, in accordance with the Articles of Association, who are appointed by the Annual General Meeting. At least one Member must have expertise in financial, accounting or auditing matters. The Articles of Association of MAX Automation SE named the Members of the first Board of Directors as Mr. Gerhard Lerch, Dr. Jens Kruse, Mr. Oliver Jaster, Mr. Daniel Fink and Mr. Fabian Spilker. The Members of the first Board of Directors were appointed until the end of the Annual General Meeting which formally approves the actions of MAX Automation SE in the first financial year, but for no longer than three years from the date of the commercial register entry of the Company as MAX Automation SE. Subject to this provision for the first Board of Directors, the maximum term of appointment of the Members of the Board of Directors will be until the end of the Annual General Meeting which formally issues the approvals for the fourth financial year after the beginning of the term of office or no longer than six years. The financial year in which they take office will not be included in this calculation. Reappointments are allowed.

Mr. Fabian Spilker resigned from the Board of Directors of the Company at his own request at the end of the Annual General Meeting on 18 May 2018. The Annual General Meeting on 18 May 2018 elected Mr. Andreas Krause for the remainder of the term of office of the departing member Mr. Fabian Spilker at the proposal of the Board of Directors. In other respects, the composition of the Board of Directors has remained unchanged.

Meetings of the Board of Directors are held as often as dictated by law or by operational requirements, but at least every three months. In other respects, the Board of Directors is to be convened if a Member of the Board of Directors asks for a meeting to be convened, stating the purpose and the reasons.

The Board of Directors has formed a Personnel Committee and an Audit Committee in order to fulfil its brief. The Board of Directors insists on regular reports about the work of the Committees.

Executive Directors of MAX Automation SE

The Executive Directors of MAX Automation SE conduct the business of the Company, taking joint responsibility for the goal of adding sustainable value. They represent the Company in and out of court. The Executive Directors are bound to abide by the instructions of the Board of Directors and implement the basic principles and guidelines set out by the Board of Directors.

The Executive Directors are appointed by the Board of Directors. The Board of Directors also determines the number of Executive Directors. Members of the Board of Directors may be appointed as Executive Directors, provided that Executive Directors do not make up the majority of the Board of Directors. The Executive Directors are appointed for a maximum term of five years. Reappointments are allowed. The Company is represented by two Executive Directors jointly or by one Managing Director together with an authorised signatory ("Prokurist"). If there is only one Managing Director, the latter represents the Company alone. MAX Automation SE currently has two Executive Directors who are also Members of the Board of Directors, Mr. Daniel Fink and Mr. Andreas Krause.

The Executive Directors obtain the approval of the Board of Directors in the cases where this is required by law, the Articles of Association, the Rules of Procedure for the Executive Directors or by a resolution passed by the Board of Directors. The Executive Directors inform the Board of Directors regularly, promptly

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and extensively on all issues relevant to the Company with regard to strategy, planning, financing of business development, the risk situation, risk management, compliance and the economic situation of the Company. They explain any departures taken in the course of business from the agreed plans and set targets, stating the reasons for any such departures.

The Executive Directors are obliged to disclose conflicts of interest to the Board of Directors without delay and to inform the other Executive Directors accordingly.

The principles of cooperation between the Executive Directors of MAX Automation SE are outlined in the Rules of Procedure for the Executive Directors.

Annual General Meeting

The shareholders have exercised and continue to exercise their rights at the Annual General Meeting where they also exercise their voting rights. MAX Automation SE – and MAX Automation AG before the conversion – only has shares carrying full voting rights. Each share grants one vote. The Annual General Meeting is held within the first six months of each financial year. The agenda for the Annual General Meeting, including the reports and documents requested for the Annual General Meeting, are published on the Company's website at www.maxautomation.com/en/investor-relations/annual-general-meeting/ and www.maxautomation.com/en/investor-relations/financial-reports/.

In order to facilitate the exercise of their rights, MAX Automation SE provides the shareholders with a proxy who is bound by their instructions for the Annual General Meeting. The invitation to the Annual General Meeting explains how voting instructions can be issued prior to the Annual General Meeting.

The shareholders are also at liberty to be represented by a proxy of their choice. The registration and legitimisation procedure is the same as for registered shares in Germany where – following due and proper registration – the person who is entered as the shareholder in the share register on the day of the Annual General Meeting can attend the Annual General Meeting as such. In principle, no further changes are made to the register at the end of the seventh day prior to the meeting (so-called Technical Record Date) therefore the Technical Record Date is the cut-off date for the legitimisation of shareholders for attendance at the Annual General Meeting.

Accounting, auditing and risk management

The Consolidated Financial Statement of MAX Automation SE is prepared in accordance with the principles of the International Financial Reporting Standards (IFRS), while the Annual Financial Statement and the combined report on the position of the Company and of the Group are prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch - HGB).

Before submitting the nominations for election to the Annual General Meeting on 18 May 2018, the Board of Directors of MAX Automation SE obtained confirmation of the independence of the proposed auditor. The auditor was asked by the Chairman of the Board of Directors to report immediately on all matters arising during the audit which, in the broadest sense, relate to the duties of the Board of Directors with regard to

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material findings or events if these cannot be remedied immediately. The Conversion Plan, which was approved by the Annual General Meeting on 30 June 2017, provides for the appointment of Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Hannover, as auditor for the first financial year of MAX Automation SE.

The risk management system currently in place at MAX Automation SE is designed to uncover, record, evaluate and control the business risks and financial risks to which the Company is exposed in the course of its activities. The individual elements of the monitoring system provide reliable information on the current risk situation and help with documentation, risk assessment and the elimination of weak points. They therefore help to minimise the risks resulting from the negative effects which may potentially arise. Detailed information on the risk management system can be found in the combined report on the situation of the Company and of the Group.

Transparency

MAX Automation SE uses the Company's website www.maxautomation.com to provide information to shareholders and investors promptly. In addition to the annual report and the interim reports (mid-year financial report and quarterly financial reports), shareholders and third parties are informed about current developments by way of ad hoc announcements and press releases.

MAX Automation SE publishes a financial calendar marking all the main diary dates and publications of the Company with sufficient advance notice.

Reportable securities transactions and significant voting rights interests

In accordance with the provisions of the Market Abuse Regulation (MAR), MAX Automation SE publishes the Directors' Dealings immediately upon their receipt pursuant to Art. 19 MAR, i.e. the notifications issued by Members of the Board of Directors, the Executive Directors and by other persons performing managerial duties at MAX Automation SE as defined in Art. 19 MAR, and it also publishes announcements issued by natural and legal persons closely related to these persons regarding transactions in securities relating to the MAX Automation share. These notifications are also published on the Company's website under www.maxautomation.com/en/investor-relations/corporate-governance/.

The Company also publishes, immediately upon their receipt, notifications of the acquisition or sale of significant voting rights pursuant to Section 33 (formerly Section 21) of the German Securities Trading Act (Wertpapierhandelsgesetz - WpHG) or of the holding of financial instruments and other instruments pursuant to Section 38 (formerly Section 25) WpHG and of the holding of further financial instruments and other instruments pursuant to Section 39 (formerly Section 25a) WpHG on the website under www.maxautomation.com/en/investor-relations/corporate-governance/. The corresponding notifications for the past financial year are also shown in the Notes to the Consolidated Financial Statement in the annual report.

CORPORATE GOVERNANCE REPORT

Conformity Statement – German Corporate Governance Code

On 4 March 2019, the Board of Directors issued the Conformity Statement pursuant to Art. 9 (1) subs. c) (ii) SE-V0 and Section 22 (6) SEAG in conjunction with Section 161 AktG. Any departures from the recommendations set out in the German Corporate Governance Code were noted and explained. The Conformity Statement including the reasons for the departures can be found on the Company's website at www.max-automation.com/en/investor-relations/corporate-governance/.

The current and previous versions of the Conformity Statement dating back to 2008 are also permanently available to the shareholders at the above Internet address.

COMPENSATION REPORT IN THE CORPORATE GOVERNANCE REPORT

Basis elements of the compensation system for the Executive Directors

The compensation of the individual Executive Directors in office in the financial year of 2018 is disclosed in the Notes and in the Combined Management Report and Group Management Report.

Compensation of the Members of the Board of Directors

The compensation of the Members of the Board of Directors in the financial year of 2018 is listed in the Notes and in the Combined Management Report and Group Management Report.

Stock option programs and similar securities-based incentive schemes

There are no stock option plans or similar securities-based incentive schemes at MAX Automation SE.

Corporate Governance Statement

This Corporate Governance Report is published in connection with the Corporate Governance Statement. The Corporate Governance Statement can be found on the Company's website at www.maxautomation.com/en/investor-relations/corporate-governance/.

Düsseldorf, 28 February 2019

The Board of Directors and the Executive Directors

Dr. Jens Kruse
(Chairman)

Daniel Fink
(Managing Director)

Andreas Krause
(Managing Director)



CONFORMITY STATEMENT

CONFORMITY STATEMENT

Statement of the Board of Directors of MAX Automation SE concerning the recommendations of the “Government Commission German Corporate Governance Code” pursuant to Article 9 (1) lit. c) (ii) SE-VO, Section 22 (6) SEAG in combination with section 161 AktG.

MAX Automation SE complies and will continue to comply with the recommendations set out in the German Corporate Governance Code (GCGC), as amended 7 February 2017 (the Code), published by the Federal Ministry of Justice in the official section of the Federal Gazette on 24 April 2017, with the following exceptions and taking due account of the special features of the monistic system of MAX Automation SE outlined below.

MAX Automation SE has also complied with all the recommendations since the last Conformity Statement was issued on 28 February 2018, with the following exceptions and taking due account of the special features of the monistic system of MAX Automation SE set out below.

Particularities of the monistic Corporate Governance System

The monistic system is characterised by the fact that the responsibility for the management of the SE is vested in a single management body, the Board of Directors, in accordance with Art. 43-45 SE-VO in conjunction with Section 20 ff. SEAG. The Board of Directors manages the Company, determines the basic outlines of its operations, and oversees their implementation by the Executive Directors. The Executive Directors conduct the business of the Company, represent the Company in and out of court, and are bound to abide by instructions of the Board of Directors.

In principle, MAX Automation SE applies the Code for the Supervisory Board to the Board of Directors of MAX Automation SE and the Code for the Management Board to the Executive Directors. The following exceptions apply, however, with regard to the legal structure of the monistic system:

- Contrary to subs. 2.2.1 clause 1 of the Code, the Board of Directors must submit the Annual Financial Statement and the Consolidated Financial Statement to the Annual General Meeting under Section 48 (2) clause 2 SEAG.
- Contrary to subs. 2.3.1 clause 1 and subs. 3.7 para. 3 of the Code, the Board of Directors is responsible for convening the Annual General Meeting under Section 48 and Section 22 (2) SEAG.
- The duties of the Management Board set out in subs. 4.1.1 (management of the enterprise) and subs. 4.1.2 in conjunction with subs. 3.2 clause 1 (development of the strategic direction of the enterprise) of the Code are incumbent on the Board of Directors under Section 22 (1) SEAG.
- The responsibilities of the Management Board set out in subs. 2.3.2 clause 2 (proxy bound by instructions), subs. 3.7 para. 1 (statement in response to a takeover bid) and para. 2 (action in the event of a takeover bid) as well as in subs. 3.10 (Corporate Governance Report), subs. 4.1.3 (compliance) and subs. 4.1.4 (risk management and risk control) of the Code are incumbent on the Board of Directors of MAX Automation SE under Section 22 (6) SEAG.
- Contrary to subs. 5.1.2 para. 2 clauses 1 and 2 of the Code, Executive Directors are not subject to a fixed and maximum permissible term of appointment, unlike Management Board Members, under Section 40 (1) clause 1 SEAG.

CONFORMITY STATEMENT

- Contrary to subs. 5.4.2 clause 2 and subs. 5.4.4 of the Code, Members of the Board of Directors may be appointed as Executive Directors, provided that Executive Directors do not make up the majority of the Board of Directors, under Section 40 (1) clause 2 SEAG.

Exceptions to the recommendations of the Code

The following recommendations are not followed or have not been fully adopted in the past:

Relating to 3.8

The D&O insurance taken out by MAX Automation SE for the Members of its Board of Directors does not include a deductible due to the fact that this is a collective insurance policy which also covers a number of employees in Germany. According to the statutory regulations, however, a deductible is agreed for the Executive Directors but not for the Members of the Board of Directors. MAX Automation SE is of the opinion that the motivation and responsibility with which the Members of the Board of Directors perform their duties will not be improved by such a deductible. For this reason, a deductible for the Members of the Board of Directors will continue to be waived.

Relating to 5.3

The Supervisory Board of MAX Automation AG consisted of three Members until the conversion of the Company to an SE. It was therefore not possible under stock corporation law to form committees with a quorum, especially an Audit Committee. Nor did it appear wise, in view of the size of the Supervisory Board, to form committees with decision-making powers, most notably a Nomination Committee. The Board of Directors of MAX Automation SE formed a Personnel Committee and an Audit Committee in 2018. It decided against the formation of a Nomination Committee.

Relating to 5.4.1

An age limit for Members of the Supervisory Board of MAX Automation AG or a standard limit on the length of service on the Supervisory Board was not set before the conversion to MAX Automation SE, since such limits on terms of office on the Supervisory Board might have been detrimental in failing to give consideration to the individuality of the Members and the value of many years of experience. After the conversion to an SE, the Board of Directors of MAX Automation SE decided to introduce both an appropriate age limit and an appropriate standard limit for the length of service on the Board of Directors which takes account of the concerns of the Code and the practice of the Company hitherto. A departure in this respect is therefore applicable only to the past.

In addition to the statutory provisions, the Supervisory Board was guided in its proposals for the election of the Members of the Supervisory Board solely by the professional and personal suitability of the candidates and by appropriate considerations of expediency in support of the purpose and role of the Supervisory Board. These included, for example, the affiliation of Members with relevant business experience. The Supervisory Board refrained from stating more concrete objectives for its composition, especially as the mere naming of such concrete objectives does not necessarily entail an improvement in the quality of the work of the Supervisory Board. This also applies to the Board of Directors after conversion to an SE.

CONFORMITY STATEMENT

Relating to 5.4.3

The Company reserves the right to apply for the appointment of a Member of the Board of Directors by the court, including for an indefinite term. The aim in principle, however, is to limit any appointment by the district court (Amtsgericht) to the period until the next Annual General Meeting in order to preserve the shareholders' participation rights in the composition of the Board of Directors in the best possible way.

Relating to 5.4.6

In the absence of the formation of committees, it was not possible to take account of the status of chair or membership of committees at MAX Automation AG in the compensation of the Supervisory Board. After the formation of the committees of the Board of Directors at MAX Automation SE after the conversion, the Members of the Board of Directors will not be remunerated separately for their work on the committees.

Relating to 7.1.2

Before conversion to an SE, the mid-year and quarterly financial reports were only discussed with the Chairman of the Supervisory Board rather than with the entire Supervisory Board prior to their publication, since the Management Board saw this as the only way to maintain the necessary flexibility. This will apply accordingly after conversion to an SE until September 25, 2018, i.e. discussion will take place only with the Chairman of the Board of Directors. On September 25, 2018, an Audit Committee was formed to which the financial reports will be explained prior to publication.

Düsseldorf, 28 February 2019

Board of Directors

Dr. Jens Kruse
(Chairman)

Daniel Fink
(Managing Director)

Andreas Krause
(Managing Director)