

# COMPLIANCE STATEMENT

## **Declaration of the Supervisory Board of MAX Automation SE from 5 February 2021 regarding the Government commission's recommendations in the German Corporate Governance Code in the version dated 16 December 2019 pursuant to Article 9 (1) c) (ii) of the SE Regulation, Section 22 (6) SEAG in conjunction with Section 161 of the German Stock Corporation Law (AktG)**

MAX Automation SE declares compliance, barring the exceptions listed below and in consideration of the characteristics of the monistic system of MAX Automation SE presented below, with all the recommendations made by the German Federal Ministry of Justice and Consumer Protection in the version of the German Corporate Governance Code (GCGC, "the Code") from 16 December 2019, which were published in the official section of the Federal Gazette on 20 March 2020, and will continue to comply with them in the future.

Furthermore, since issuing its last Declaration of Compliance on 7 February 2020, MAX Automation SE has complied with all recommendations of the Code to the extent that these were applicable, barring the exceptions listed below and in consideration of the following characteristics of the monistic system of MAX Automation SE.

### **Characteristics of the monistic corporate governance system**

In accordance with Art. 43-45 of the SE Regulation in conjunction with Sections 20 et seq. SEAG, the monistic system is characterized by the fact that the management of the SE is subordinated to a single management body, the Supervisory Board (Verwaltungsrat). The Supervisory Board directs the company, defines the guidelines of its activities and supervises their implementation. The Managing Directors conduct the business of the company, represent the company in and out of court and are bound by the instructions of the Supervisory Board.

In principle, MAX Automation SE applies the Code's definition of a Supervisory Committee (Aufsichtsrat) to the Supervisory Board of MAX Automation SE and its definition of a Management Board to the Managing Directors. Here, the following exceptions apply regarding the legal structure of the monistic system:

- The areas of responsibility for a Management Board as defined in recommendations A.1 (allocation of managerial functions) and A.2 (compliance management system) of the Code are the responsibility of the Supervisory Board of MAX Automation SE, Section 22 (6) SEAG.
- In deviation from recommendations B.3 (initial appointment of members of the Management Board) and B.4 (renewed appointment of members of the Management Board) of the Code, Managing Directors, as opposed to members of the Supervisory Board, are appointed to terms with no limited or maximum duration, Section 40 (1)(1) SEAG.
- Contrary to recommendations C.6, C.7 and C.10 of the Code, which regulate the independence of the members of a Supervisory Committee and the Chairman of a Supervisory Committee (dealing with conflicts of interest in the Supervisory Committee), members of the Supervisory Board can be appointed as Managing Directors as long as the majority of the Supervisory Board continues to consist of members who are not Managing Directors, Section 40 (1) (2) SEAG.
- Recommendation D.6 (information exchange) of the Code applies to the Supervisory Board and the Managing Directors of MAX Automation SE, Sections 22 (6), 40 (6) SEAG.
- Recommendation D.7, according to which a Supervisory Committee should meet on a regular basis without the Management Board, is not applicable at MAX Automation SE if a Managing Director is also member of the Supervisory Board. Given that the former Managing Director Andreas Krause was also a member of the Supervisory Board of the company until 29 May 2020 and Dr. Christian Diekmann, current member of the Supervisory Board, was appointed as Managing Director with effect from 1 January 2021, the company was unable to observe this recommendation, which is tailored for dualistically organized companies, for parts of the reporting period.

## **Exceptions to the recommendations of the Code**

The following recommendations were not observed, either fully or partially:

### **Regarding recommendations B.1 and C.1**

MAX Automation SE bases the appointment of Managing Directors and the Supervisory Board on the professional and personal eligibility of the candidates, diversity aspects and any appropriate expediency considerations. This includes, for example, the relevant business experience of the members and diversity with regard to age, gender and professional background. Nevertheless, we refrained from listing more concrete targets for the appointment. Following the recommendation of the Supervisory Board, Ms. Karoline Kalb was appointed to the Supervisory Board at the Ordinary Annual General Meeting 2020. Therefore, the share of women in the Supervisory Board is 20%. According to the assessment of the company, this corresponds to a share that sufficiently meets the interests of the company in terms of gender diversity. For the two management levels below the Supervisory Board and the Managing Directors, the Supervisory Board has set a share of women of at least 30%. This share has been reached at both management levels below the Supervisory Board and the Managing Directors. Furthermore, the Supervisory Board intends to develop a skill profile for the entire board as part of the implementation of a new corporate governance structure.

### **Regarding recommendation C.6**

The Supervisory Board of MAX Automation SE has refrained from determining by resolution an appropriate number of independent members of the Supervisory Board. There was reason to do so, given that the Supervisory Board of MAX Automation SE, as a monistically structured company, considers itself to be sufficiently independent with currently two independent members.

### **Regarding recommendation C.15**

The company reserves the right to submit applications for the judicial appointment of members to the Supervisory Board for an indefinite period. However, the company generally tries to limit judicial appointments through the district court to the period remaining until the next Annual General Meeting. This is done in order to preserve the participation rights of the shareholders to the best possible extent regarding the appointment of members to the Supervisory Board.

### **Regarding recommendation D.1**

The company is currently working on the further development of its governance structure. This will lead to changes in the rules of procedure of the Supervisory Board. The rules of procedure of the Supervisory Board will be published on the company's website as soon as the corresponding revision has been carried out.

### **Regarding G.1**

The Supervisory Board is revising the remuneration system currently in place in accordance with the requirements of Section 87a (1) AktG and the recommendations in part G.1 of the Code. The company is making use of the designated temporary regulations and will present a revised remuneration system for approval at the Ordinary Annual General Meeting 2021. The newly finalized employment contract with Dr. Christian Diekmann already complies with the requirements of this remuneration system, barring the following exceptions.

### **Regarding recommendation G.3**

A small comparison group of other companies was not consulted to determine the conventionality of the concrete total remuneration of Dr. Christian Diekmann. The company intends to first implement this recommendation in the future when signing new employment contracts following the introduction of the revised remuneration system.

### **Regarding recommendations G.6 and G.10**

The variable remuneration of Dr. Christian Diekmann, which was calculated based on the achievement of long-term targets, does not exceed the share from short-term targets. Similarly, the share-based remuneration granted at the time of allotment does not exceed the sum of other variable remuneration components. This results from the special

arrangement of the *long-term incentive* of Dr. Christian Diekmann, which was deliberately designed as a proprietary investment linked to a yearly allotment of *phantom shares* instead of a bonus plan tied to certain performance criteria. This was done in order to bind the Managing Director more strongly to the company.

#### **Regarding recommendation G.8**

Due to the possible negative impact of the COVID-19 pandemic, the Supervisory Board reserved the right to, if need be, carry out a revaluation of the ROCE targets (STIP) in the fourth quarter of 2020. This deviation from recommendation G.8 was necessary in order to keep a remuneration system whose target values had been shaped by the previous fiscal years from losing its incentive effect in the eyes of the Managing Directors. A particularly strong commitment from the Managing Directors is particularly needed in these times of crisis. A revaluation of the ROCE targets (STIP) was, however, not necessary after all.

#### **Regarding recommendation G.9**

The company refrains from publishing the target values of the Managing Directors, regardless of whether these have been achieved or not, because this information is confidential. However, the individual compensation components granted for the fiscal year are published in the management report.

#### **Regarding recommendation G.12**

The variable compensation components still open for Andreas Krause were settled immediately following the end of his employment contract as Managing Director. This was agreed in the termination agreement concluded with Mr. Krause to definitively end the contractual relationship with him. In addition to that, it does not seem fair to make the amount of the payment from variable compensation components dependent on the development of the company following his departure. The company believes that Mr. Krause contributed to the sustainable and long-term development of the company until the very last day of his employment.

#### **Regarding recommendation G.17**

Members of the Supervisory Board will not receive additional remuneration for their activities in the committees. MAX Automation SE does not consider additional remuneration to be necessary and assumes that it is not in the interests of the company.

Duesseldorf, Germany, 5 February 2021

The Supervisory Board

Dr. Christian Diekmann  
(Chairman of the Supervisory Board and Managing Director)