

DECLARATION OF COMPLIANCE PURSUANT TO SECTION 161 GERMAN STOCK CORPORATION ACT (AKTG)
[Non binding translation of the German text of the declaration]

The Management Board and the Supervisory Board declare that DIC Asset AG from the date of submission of its previous Declaration of Compliance has complied with the recommendations of the German Corporate Governance Code as amended on 7 February 2017. The following exceptions applied:

- If a D&O (directors' and officers' liability insurance) policy is taken out for Supervisory Board members, the Code in clause 3.8 paragraph 3 recommended agreeing a deductible of at least 10 % of the loss up to at least the amount of one and a half times the fixed annual remuneration. DIC Asset AG has taken out a D&O policy for the members of its Supervisory Board which does not provide for a deductible for the Supervisory Board members. We believe that a deductible in the D&O policy would not affect the motivation and sense of responsibility shown by the members of the Supervisory Board in performing their duties.
- The Code in clause 4.1.5, in particular, recommended aiming for an appropriate consideration of women when appointing company executives. When appointing company executives, the Management Board has focused on the interests of the Company and the statutory provisions, and in doing so most of all has given priority to the professional and personal qualifications of candidates – irrespective of gender. We have met the applicable statutory provisions with regard to the determination of targets for the share of women at the executive level below the Management Board.
- The members of the Management Board have been promised performance-related payments (profit-sharing bonuses) and options on so-called phantom stocks as variable remuneration components. In accordance with clause 4.2.3 paragraph 2 sentence 4 of the Code, both positive and negative developments within the agreed assessment period are taken into consideration when determining the variable remuneration components, insofar as the payments may turn out to be proportionately higher or lower, or may not be made at all. When they exercise the options, the members of the Management Board receive share-price-dependent payments which are based solely on the Company's share price within a reference period. In deviation from clause 4.2.3 paragraph 2 sentence 7 of the Code, these options on phantom stocks were not and are not based on "demanding and relevant comparison parameters" within the meaning of the Code. We are of the opinion that incorporating additional comparison parameters would not inspire greater motivation or a keener sense of responsibility.
- The Code recommended in clause 4.2.3 paragraph 2 sentence 6 that the amount of the remuneration of the members of the Management Board should be capped both in the aggregate and as regards variable components. The amount of the variable performance-related payments (profit-sharing bonus) of Management Board members has not been capped in the director's contracts of the current Management Board members. We do not consider a cap on the profit-sharing bonus necessary since the Supervisory Board determines the amount of the bonus annually. The options on so-called phantom stocks granted to the members of the Management Board as long-term variable remuneration components have been and continue to be limited in number. When exercised, the options entitle the bearer to a cash payment in an amount defined by the positive difference between the average closing price of the DIC Asset AG share during a reference period preceding the exercise of the option, on the one hand, and the contractually agreed exercise price, on the other hand. The members of the Management Board may therefore benefit from the shares' upside potential during the reference period. No cap has been set on the participation in the upside potential at the time the option is exercised. We believe that an additional cap on this share-based remuneration component would run counter to its major incentive, which is working toward increasing the company value. Given the absence of caps on the variable remuneration components and on some of the fringe benefits, there were and currently are no caps on the total amount of remuneration for the members of the Management Board.
- When entering into Management Board employment contracts, it should be ensured that payments to members of the Management Board upon the early termination of their Management Board work do not exceed twice their annual remuneration, including fringe benefits (severance cap), and shall not constitute remuneration for more than the remaining term of the employment contract. In deviation from clause 4.2.3 paragraph 4 of the Code, director's contract do not include a severance cap. Any agreement of this kind would run counter to the basic understanding of a director's contract that is routinely entered into for the duration of the period of appointment, and that in principle may not be terminated without cause. In addition, the Company cannot enforce a cap to the severance payment unilaterally in the event that a member's work

for the Management Board is terminated by mutual agreement, as is frequently the case in practice. In the event of a director's contract being terminated prematurely, we will try to take account of the underlying principle of the recommendation.

- The Code recommended in clause 4.2.5 paragraph 3 and paragraph 4 to present the board remuneration for each Member of the Management Board by using model tables that include specific details prescribed by the Code. To the extent that the Company deviates as elaborated above from the recommendation of clause 4.2.3 paragraph 2, sentence 6 for defining caps for the board remuneration, it obviously fails to act on the corresponding disclosure recommendation. Moreover, certain other disclosures required in the model tables that concern the remuneration structure are not relevant for the Management Board of DIC Asset AG. In the opinion of the Management Board and the Supervisory Board the new method would provide no added information value to shareholders. Accordingly, the Company has deviated from clause 4.2.5 paragraph 3 and paragraph 4 of the Code.
- The Supervisory Board is required to propose suitable candidates for new appointments or reappointments to positions on the Supervisory Board by the General Shareholders' Meeting. In deviation from clause 5.3.3 of the Code, no nomination committee was formed for this purpose. As the six members of the Supervisory Board are all representatives of the shareholders and the current practice of voting proposals being prepared by the full Supervisory Board has proved to be efficient, the Supervisory Board sees no need to form a nomination committee.
- In deviation from clause 5.4.1 paragraph 2 of the Code, the Supervisory Board has specified no age-independent regular limit of members' terms of office. The Supervisory Board is of the opinion that it is more beneficial for the Company to have access to many years of expertise of individual Supervisory Board members and to make a decision in favour of continuity or replacement on a case-by-case basis. In the absence of a corresponding regular limit for term of office, in deviation from clause 5.4.1 paragraph 4 of the Code, this aspect has also not been taken into account in the Supervisory Board's nominations for elections to the General Shareholders' Meeting, nor has information on the status of its implementation been published.
- The Code recommended in clause 5.4.1 paragraph 5 sentence 2 part 1 that the proposal for a candidate shall be accompanied by a curriculum vitae, providing information on the candidate's relevant knowledge, skills and experience. The Company has made the candidates' curricula vitae available on the Company's website together with any other material to be made available for the General Shareholders' Meeting. The reason for this was that publishing curricula vitae as part of the convening to the General Shareholders' Meeting would impair its readability.
- According to the current Articles of Association, members of the Supervisory Board have been and are granted performance-related remuneration that is based on the annual dividend payment and may thus deviate from clause 5.4.6 paragraph 2 of the Code, which recommends that remuneration be linked to sustainable growth of the company. The dividend payment is a key measure of success for the shareholders. We consider it appropriate that members of the Supervisory Board be remunerated in accordance with criteria that are also of significance for the shareholders.

The Management Board and the Supervisory Board declare that DIC Asset AG has complied and will comply with the recommendations of the German Corporate Governance Code as amended on 16 December 2019. The following exceptions apply:

- The Code recommends in clause C.10 sentence 1 that the Chairman of the Supervisory Board should be independent of the Company and its Management Board. According to clause C.7 of the Code, when assessing the independence from the Company and its Management Board it should be taken into account, among other things, whether the Supervisory Board member currently is maintaining (or has maintained) a material business relationship with the Company or one of the entities dependent upon the Company in the year prior to his appointment, directly or as a shareholder, or in a leading position of a non-group entity, and/or has been a member of the Supervisory Board for more than 12 years. The Supervisory Board has decided to use the formal indicators referred to in the Code as relevant for its assessment and not to apply a different classification, as would be permitted under clause C.8 of the Code. Notwithstanding the fact that the Chairman of the Supervisory Board based on the aforementioned formal indicators would not be regarded as independent of the Company and its Management Board, the Supervisory Board has no doubt that the Chairman can fully meet his advisory and supervisory duties. In addition, the Supervisory Board has what it considers to be an appropriate number of independent members as more than half of the shareholder representatives, including the Chairman of the Audit Committee, are independent of the Company and its Management Board.

- In deviation from clause D.5 of the Code, no nomination committee will be formed. The reasons set out above for clause 5.3.3 of the Code apply.
- The existing remuneration system for the Management Board and the director's contracts in place at this time do not currently meet all the recommendations set out in clauses G.1 to G.16 of the Code. The Supervisory Board intends to adopt a remuneration system for the Management Board in accordance with section 87a of the German Stock Corporation Act (AktG) and submit it for approval at the General Shareholders' Meeting in 2021. The Supervisory Board will only decide to what extent it will comply with the recommendations relating to Management Board remuneration set out in clauses G.1 to G.16 of the Code when the remuneration system in accordance with section 87a AktG is adopted.
- According to the current Articles of Association, members of the Supervisory Board are granted performance-related remuneration that is based on the annual dividend payment and may thus deviate from clause G.18 of the Code, which recommends that remuneration be linked to the long-term performance of the company. The Supervisory Board intends to submit the existing remuneration arrangements to the 2021 General Shareholders' Meeting for confirmation. The reasons set out above for clause 5.4.6 of the Code apply

Frankfurt am Main, 22 December 2020
Management Board and Supervisory Board of DIC Asset AG