COMPLIANCE STATEMENT
VISCOM AG

Corporate governance is defined as the legal and de facto regulatory framework for managing and monitoring a company. The purpose of the Code is to make the German corporate governance system clear and transparent. The Code sets out principles, recommendations and suggestions regarding the management and supervision of listed German companies that are recognised internationally and nationally as standards for sound and responsible company management. It is intended to strengthen the trust of investors, customers, staff and the public in the management and oversight of listed German companies. Section 161 AktG requires listed companies to declare once a year whether the recommendations of the Government Commission on the German Corporate Governance Code as published by the Federal Ministry of Justice have been complied with or which recommendations have not been or will not be followed („comply or explain").

The German Federal Ministry of Justice announced the release of the new version of the German Corporate Governance Code dated 16 December 2019 on 20 March 2020.

The following Compliance Statement thus refers to the recommendations by the Government Commission on the German Corporate Governance Code in the version dated 7 February 2017 ***(the Code (old version))*** as published by the Federal Ministry of Justice in the official section of the Bundesanzeiger (Federal Gazette) on 24 April 2017 for the entire past reporting period, as well as – for the period since the release of the new version and exclusively in the future – the recommendations by the Government Commission on the German Corporate Governance Code in the version dated 16 December 2019 ***(the Code)*** as published by the Federal Ministry of Justice in the official section of the Bundesanzeiger on 20 March 2020.

In accordance with section 161 AktG, the Executive Board and Supervisory Board of Viscom AG declare that the recommendations by the Government Commission on the German Corporate Governance Code (version dated 7 February 2017) were complied with in the past. The following recommendations were not followed:

1. The company has decided to exclude deductibles from its liability insurance (D&O insurance) for the Supervisory Board (item 3.8(3) of the Code (old version)).
The company has complied with the legal requirement to implement a deductible for Executive Board members in accordance with section 93(2) sentence 3 AktG in conjunction with section 23(1) sentence 1 of the Einführungsgesetz zum Aktiengesetz (EGAktG – Introductory Act to the German Stock Corporation Act) as at 1 July 2010, but has not yet introduced a corresponding deductible for the Supervisory Board as well. In the company's opinion, the nature of the Supervisory Board mandate, which is also emphasised by differences in remuneration, makes it reasonable to differentiate between the Executive Board and Supervisory Board. Extending the D&O insurance deductible to members of the Viscom AG Supervisory Board therefore did not appear appropriate. Furthermore, a deductible for intentional infringement of obligations does not come into question and a deductible in cases of negligence in other countries has been rather uncommon to date. Therefore, there was and is the concern that the agreement of a deductible could present a future obstacle with regard to the search for appropriate Supervisory Board candidates who also have international experience.

2. The company has no chairperson (item 4.2.1 of the Code (old version)).
Given the size of the Executive Board, the Executive Board and the Supervisory Board believe that a chairperson is not required on a board with four members. In addition, stock corporation law is based on a principle of consensus, i. e. on a collegial rather than a hierarchical Executive Board. A strong principle of consensus has prevailed within the Executive Board (and previously within management) since the company was founded. All significant decisions are made together by the full Executive Board at all times.

3. The long-term assessment basis for variable remuneration components of Executive Board remuneration is not essentially forward-looking, negative developments are not taken into account when determining variable remuneration com-

ponents and there are only percentage-based caps on the amount of total remuneration and variable remuneration components rather than defined amounts (item 4.2.3(2) of the Code (old version)). Overall, the Executive Board and Supervisory Board are of the opinion that the variable remuneration components provide both a long-term and positive forward-looking incentive effect.

The long-term variable remuneration paid to the Executive Board of Viscom AG (Bonus II) is calculated on the basis of average EBIT for the last three years in conjunction with the achievement of a defined minimum average EBIT over the assessment period and positive EBIT in the past financial year. The Executive Board and Supervisory Board are of the opinion that this variable remuneration structure compels the members of the Executive Board to focus on the long-term success of their activities, as they can only expect to receive variable remuneration as at the end of the respective three-year period if average EBIT develops positively during this period. This arrangement therefore has a corresponding long-term incentive effect with positive forward-looking characteristics.

In the opinion of the Executive Board and the Supervisory Board, the rolling nature of the three-year assessment period meant there was no need to introduce instruments to take further account of negative developments.

The total variable remuneration components (Bonus I and Bonus II) are capped at 100 % of fixed annual gross remuneration. As the amount of fixed annual gross remuneration of the members of the Executive Board is fixed, in the opinion of the Executive Board and the Supervisory Board there is no additional gain to be had from setting the maximum limit as an amount as opposed to as a percentage.

The remuneration system is currently being thoroughly revised and adapted to take account of the requirements under ARUG II and the Code in the version dated 16 December 2019.

4. The employment contracts with the members of the Executive Board of Viscom AG provide for no payment caps on severance compensation in the case of early termination of the Executive Board mandate (item 4.2.3(4) of the Code (old version)).

The Executive Board contracts do not contain any provisions for a severance compensation in the event of early termination of the Executive Board mandate of a maximum of two years' remuneration, including in the form of (modified) tying clauses. Legal enforcement of a cap on severance pay for the member of the Executive Board would often not be possible in the relevant cases. If there is neither cause for dismissal in accordance with section 84(3) sentence 1 AktG nor cause for extraordinary termination of the employment contract in accordance with section 626 of the Bürgerliches Gesetzbuch (BGB – German Civil Code), the contract with the Executive Board member concerned can only be terminated subject to mutual agreement. In such cases, Executive Board members have no obligation to agree to caps on severance pay within the meaning of the recommendations of the Code. These (modified) connection clauses that tie the termination of the Executive Board contract to dismissal for cause and provide for a cap on severance pay in such cases cannot be implemented unilaterally by the Supervisory Board against the will of the Executive Board member in question (deviation from item 4.2.3(4) of the Code (old version)).

In the event of early termination of a member of the Executive Board for cause for which the Executive Board member is responsible, severance payments must not be made anyway.

5. The Articles of Association and the Rules of Procedure for the Executive Board do not call for a maximum age limit for Executive Board members (item 5.1.2 (2) sentence 3 of the Code (old version)).

Any exclusion based solely on age does not appear expedient to the Executive Board and Supervisory Board, since the optimum composition of the Executive Board could thereby be prevented for merely formal reasons. The company is also committed to ensuring access to the expertise of experienced members of the Executive Board. An age limitation in the Articles of Association or the Rules of Procedure has been and is therefore deemed unnecessary.

6. The Supervisory Board has not formed any committees, and in particular has not formed an audit committee (items 5.3.1, 5.3.2, 5.3.3 of the Code (old version)).

The Supervisory Board consists of just three members. In the opinion of the Supervisory Board, the formation of an audit committee is not expedient under the specific circumstances of the company and – unlike in larger governing bodies – does not increase efficiency. All matters are addressed by all members of the Supervisory Board, meaning that the formation of additional committees is not considered necessary. Given that the Supervisory Board of Viscom AG is not subject to co-determination, a nominating committee comprising exclusively shareholder representatives would be obsolete.

7. The fixed remuneration for the Supervisory Board stipulated in the Articles of Association does not take account of chairpersons or committee members (item 5.4.6 of the Code).
The lack of committees on account of the small size of the Supervisory Board renders any further plan for the distribution of remuneration for chairpersons and committee members unnecessary.

8. The consolidated financial statements and consolidated management report of Viscom AG as at 31 December 2019 were not available within 90 days of the end of the financial year (item 7.1.2 sentence 2 of the Code (old version) = F.2 of the Code)).
Viscom AG had announced that it would release its annual and consolidated financial statements as at 31 December 2019, as well as the management reports, on 24 March 2020. Due to current developments in the COVID-19 pandemic, the preparation and auditing of the annual and consolidated financial statements of Viscom AG and the management reports must be reviewed, in particular with regard to forecast reporting. The financial statement documents thus could not be published within the period originally specified. Viscom AG published its annual and consolidated financial statements and management reports within the statutory period on 9 April 2020.

In accordance with section 161 AktG, the Executive Board and Supervisory Board of Viscom AG declare that the recommendations by the Government Commission on the German Corporate Governance Code (version dated 16 December 2019) are complied with currently and have been since the announcement on 20 March 2020. The following recommendations have not been and will not be followed:

1. The Executive Board does not have a chairperson or spokesperson.
For the reasons explained above regarding item 4.2.1 of the Code (old version), the Executive Board does not have a chairperson or spokesperson. Where recommendations are addressed to the chairperson or spokesperson (D.6, E.2 of the Code), these are understood to refer to the Executive Board as a whole.

2. The approach to joint succession planning was not described in the 2019 Corporate Governance Statement 2019 (B.2 first half of sentence 2 of the Code).
Not all new descriptive requirements in the Code were included in the Corporate Governance Statement for the 2019 financial year because the version of the Code was released only recently. The recommendation is followed in the Corporate Governance Statement for the 2020 financial year and should also be followed in future.

3. There is no age limit for members of the Executive Board. Accordingly, no age limit is defined in the Corporate Governance Statement (B.5 of the Code).
For the reasons explained above regarding item 5.1.2 of the Code (old version), there are no plans to impose an age limit for Executive Board members. Accordingly, no age limit is defined in the Corporate Governance Statement.

4. The Supervisory Board has not formed any committees, in particular it has not formed an audit or nominations committee (D.3, D.5 of the Code).
For the reasons explained above regarding items 5.3.1, 5.3.2, 5.3.3 of the Code (old version), the Supervisory Board does not form any committees, in particular it does not form an audit or nominations committee, on account of the company's specific circumstances and its number of members.

Where they relate to committees, the audit committee or their members, the following recommendations are therefore not relevant: C.10 of the Code (independence of the Chair of the audit committee), D.2 sentence 2 of the Code (list of committee members in the Corporate Governance Statement), D.4 of the Code (requirements for the Chair of the audit committee), D.8 of the Code (participation in committee meetings), D.13 of the Code (review of committees' effectiveness), G.17 of the Code (taking committee chairs and members into account regarding remuneration).

The Supervisory Board believes that it can effectively perform the responsibilities assigned to the audit committee, including evaluating the quality of the audit (D.11 of the Code), thanks to its size, as it comprises three members chaired by the independent member Prof. Dr. Michèle Morner who has specialised knowledge and experience in applying accounting policies and internal control processes.

5. In its Supervisory Board report on the 2019 financial year, the company did not report on the measures put in place to provide support to members of the Supervisory Board upon their appointment and during training and professional development measures (D.12 of the Code).

Not all new descriptive requirements in the Code were included in the Supervisory Board report on the 2019 financial year because the new version of the Code was released only recently. The recommendation is followed in the Supervisory Board report on the 2020 financial year and should also be followed in future.

6. Remuneration recommendations (section G of the Code; deviation from G.10 of the Code).

For the reasons explained above regarding item 4.2.3 (4) of the Code (old version), no payment caps on severance compensation have been agreed (G.13 of the Code). See the explanations above on item 4.2.3 (2) of the Code (old version) for other deviations from the recommendations of the Code (old version).

As stated by the Code Commission (see Government Commission, explanations on the Code from 9 May 2019, sentence 26), the mostly new remuneration recommendations in the latest German Corporate Governance Code in the version dated 16 December 2019 apply only to employment contracts that are concluded or renewed after the Code comes into effect. No Executive Board contracts have been concluded or renewed since the new remuneration recommendations in section G of the Code were announced on 20 March 2020. The new recommendations on the remuneration system apply to the remuneration system to be approved for the first time within the period set out in section 26j of the Einführungsgesetz zum Aktiengesetz (EGAktG – Introductory Act to the German Stock Corporation Act) in accordance with sections 87a (1), 120a (1) sentence 1 AktG and that is to be presented to the Annual General Meeting. This is currently being prepared by the Supervisory Board with the assistance of independent remuneration consultants.

As previously, variable remuneration paid to members of the Executive Board will not be invested predominantly in company shares or granted as share-based remuneration (deviation from G.10 the Code). To promote the company strategy, the Executive Board remuneration system will create the right incentives to sustainably boost Viscom AG's medium and long-term financial success, chiefly by taking into account internal performance indicators. Due to its majority shareholder, Viscom AG also has relatively few shares in free float. Based on these general conditions, the Supervisory Board does not consider an overwhelming focus on share price performance a suitable incentive mechanism for the Executive Board.

The Compliance Statement will be updated once further details on the new remuneration system are definite and if the future remuneration system deviates from the remuneration recommendations in the Code.

Hanover, 26 February 2021

The Executive Board The Supervisory Board