

# COMPLIANCE STATEMENT

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Pursuant to Section 161 of the German Stock Corporation Act (AktG), the Executive Board and the Supervisory Board of any corporation that is listed on the stock exchange in Germany are required to make an annual declaration that the recommendations by the Government Commission on the German Corporate Governance Code as published by the Federal Ministry of Justice in the official section of the German Federal Gazette were and will be complied with, or state which recommendations were not or will not be applied and for what reasons. The declaration must be made permanently accessible to the public on the Company's website. Companies are permitted to vary from the recommendations of the Code, but are required to publish any such exceptions and the reasons for them annually. This allows companies to consider sector or company-specific requirements.

For the period from the last Compliance Statement dated 22 February 2013 to 9 June 2013, the following statement refers to the Code version of 15 May 2012 as published on 15 June 2012 in the Federal Gazette. For all Corporate Governance activities by Viscom AG since 10 June 2013, the statement refers to the Code version of 13 May 2013 as published on 10 June 2013 in the Federal Gazette.

In conformity with Section 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board of Viscom AG declare that the recommendations by the Government Commission on the German Corporate Governance Code have been and are being complied with. The Executive Board and Supervisory Board of Viscom AG are also committed to ensuring future compliance. Only the following recommendations have not been and will not be followed:

**1. The Company has decided to exclude deductibles from its liability insurance (D&O insurance) for the Supervisory Board (Code Section 3.8).**

The Company has complied with the legal requirement to implement a deductible for Executive Board members pursuant to Section 93 paragraph 2 sentence 3 of the German Stock Corporation Act

(AktG) in conjunction with Section 23 paragraph 1 sentence 1 of the Introductory Act to the German Stock Corporation Act (EGAktG) effective 1 July 2010, but continues to refrain from implementing a corresponding deductible for the Supervisory Board as well. In the Company's view, the nature of the Supervisory Board mandate, which is also emphasised by differences in remuneration, makes it seem 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 is rather uncommon to date. There was and is, therefore, the concern that the agreement of a deductible may present an obstacle in the future with regard to the search for appropriate Supervisory Board candidates that also have international experience.

**2. The Company has no Chairman or Speaker of the Executive Board (Code Section 4.2.1).**

Taking into account the number of Executive Board members, the Executive Board and the Supervisory Board are consequently of the opinion that, on a board with only three members, a Chairman or a Speaker is not required. In addition, the law for stock corporations 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 the executive) since the Company was founded. All significant decisions are made together by the entire Executive Board.

**3. The service 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 (Code Section 4.2.3).**

The Executive Board contracts do not contain any provisions for a payment cap on severance compensation in the case 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 a significant ground for dismissal in accordance with Section 84 paragraph 3 sentence 1 of the German Stock Corporation Act (AktG) nor a significant ground for the extraordinary termination of the employment contract in accordance with Section 626 of the German Civil Code (BGB), the contract with the Executive Board member can only be terminated subject to mutual agreement. In such cases, Executive Board members have no legal obligation to agree to caps on severance pay within the meaning of the recommendations of the Code. These (modified) tying clauses that link the termination of the Executive Board contract to dismissal on significant grounds and anticipate 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 Code Section 4.2.3 paragraph 4).

**4. The Executive Board and Supervisory Board have not prepared any detailed long-term succession planning up to now (Code Section 5.1.2).**

The Executive Board and Supervisory Board have not prepared any detailed long-term succession planning for the Executive Board up to now. The Executive Board members Dr. Martin Heuser and Volker Pape are the founders of the Company and there are currently no indications of them leaving the Company in the foreseeable future. The Executive Board and Supervisory Board also believe that this recommendation in the Code pertains solely to internal succession planning, as external appointments cannot be planned for the long term.

**5. With the exception of a nomination committee, the Supervisory Board has not formed any committees, especially an audit committee (Code Sections 5.3.1, 5.3.2).**

The Supervisory Board consists of only three members. In the view 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, so that the formation of additional committees is not considered necessary. The Supervisory Board, however, formed a nomination committee in connection with the succession planning for the outgoing Supervisory Board member Prof. Dr. Claus-Eberhard Liedtke.

**6. The Articles of Association and the standing rules for the Executive Board do not call for a maximum age limit for Executive Board members (Code Section 5.1.2).**

Given the age structure of the current occupants of the Executive Board, this status quo needs not be questioned. The Company is also committed to ensuring access to the expertise of experienced members of the Executive Board. 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. An age limitation in the Articles of Association or the standing rules has been and is therefore deemed unnecessary.

**7. The fixed and variable remuneration for the Supervisory Board stipulated in the Articles of Association does not take account of the Chairman or committee members (Code Section 5.4.6).**

The lack of committees due to the small size of the Supervisory Board renders any further plan for the distribution of remuneration for chairpersons and committee members unnecessary. The Company does not see the need for any special remuneration for the established nomination committee with regard to the succession planning of the outgoing Supervisory Board member Prof. Dr. Claus-Eberhard Liedtke as the duties are limited to a specific period of time.

Hanover, 21 February 2014

The Executive Board

The Supervisory Board