

## DECLARATION OF CONFORMITY ACCORDING TO SECTION 161 AKTG

The Management Board and Supervisory Board of AlzChem Group AG (the “**Company**”) declare in accordance with Section 161 AktG (German Stock Corporation Act):

At the time new Company shares are admitted to trading on the Regulated Market of the Frankfurt Stock Exchange (“listing”), the Company is in compliance with all recommendations of the Government Commission “German Corporate Governance Code” as amended by the Federal Ministry of Justice in the Official Part of the Federal Gazette on February 7, 2017, with the exceptions outlined below. The Company intends to continue complying with these recommendations with the exceptions set out below.

### **Deductible with D&O (Directors and Officers) insurance for Supervisory Board members** (3.8 of the Code)

The D&O insurance taken out by the Company does not provide for a deductible for Supervisory Board members, and particularly no deductible of at least 10% of the damage up to at least one and a half times the fixed annual remuneration. Such a deductible is not required by law for Supervisory Board members; instead, Supervisory Board members are exempt from compulsory deductibles. In view of the role of the Supervisory Board, which is also reflected in the different remuneration structure of the Management Board, this distinction appears appropriate in the treatment of the Management Board and the Supervisory Board. Neither the Management Board nor the Supervisory Board considers a deductible to be an effective way to increase the motivation and sense of responsibility of Supervisory Board members.

### **Defining the desired level of pension benefits in support of Management Board members** (4.2.3 of the Code)

The Code recommends that the Supervisory Board should determine the desired pension level for pension commitments in support of Management Board members, based also on the duration of their term of office, taking into account the annual and long-term expenses this causes for the Company. The Supervisory Board has not defined such a pension level. Instead, each member of the Management Board is entitled to an annual pension scheme, the amount of which is determined as a percentage of the annual basic salary of each individual Management Board member. This gives the Supervisory Board an idea of the annual and long-term expenses for the Company, which also depend on actuarial effects due to the formation of reserves. It is increasingly common not to define an intended pension practice, but to use a contributory and benefit-oriented system.

### **Composition of the Supervisory Board (5.4.1 (2, 3) of the Code)**

With the exception of setting an age limit, the Supervisory Board does not yet have specific targets with regard to its composition, in particular not such that take into account the Company's situation, international activities, potential conflicts of interest and diversity. The Supervisory Board is of the opinion that selecting Supervisory Board members should focus above all on the knowledge and skills of future members as well as their technical expertise. While the Supervisory Board welcomes the intention of the Code to take greater account of the above criteria in the composition of a Supervisory Board, it considers that setting specific objectives would not be appropriate at this stage.

### **Remuneration of Supervisory Board members (5.4.6 (1, 3) of the Code)**

Supervisory Board members receive fixed compensation and reimbursement of their expenses. Supervisory Board members are not granted performance-related compensation, as the Company does not believe that this would improve the work of the Supervisory Board.

### **Recommended deadline for publishing consolidated financial statements and interim reports (7.1.2 of the Code)**

The Company will make consolidated financial statements and interim reports publicly available as soon as possible after the end of each fiscal year and interim period. Although the Company endeavors to achieve publication within the deadlines recommended by the Code, in view of the organizational changes to be implemented as a result of the capital increase in kind, it cannot be ruled out that this will not be possible in the first year following the acquisition of the AlzChem Group.

Trostberg, December, 2017

### **AlzChem Group AG**

Management Board

Supervisory Board