

Declaration of compliance with the German Corporate Governance Code pursuant to section 161 of the German Stock Corporation Act

The Management and Supervisory Boards at Bertrandt AG declare herewith that, in compliance with section 161 of the German Stock Corporation Act (AktG) the recommendations from the governing commission of the German Corporate Governance Code (GCGC) in the version dated February 7, 2017, released in the German Federal Gazette on April 24, 2017 and amended on May 19, 2017 - were and will be generally adhered to. The recommendations listed under Sections 3.8 Para. 3, 4.1.3 Sentence 2, 4.1.5, 4.2.3 Para. 3, 4.2.5 Para. 3 and 4, 5.3.2 Para. 3 Sentences 2 and 3, 5.4.1 Para. 2 and 4, 5.4.2 Sentence 1, 5.5.2, 5.5.3 Sentence 1 and 7.1.2 Sentence 3 of the GCGC were and will not be applied; from September 24, 2018, Section 5.4.1 Para. 6 GCGC will also not be applied.

The deviations from the individual recommendations are based on the following arguments:

Section 3.8 Para. 3 GCGC

Bertrandt AG has taken out a pecuniary damage liability insurance policy (a so called directors and officers insurance policy). In deviation from Section 3.8 Para. 3 of the GCGC, the policy has no deductible for supervisory board members. Bertrandt AG took out the insurance policy to preserve its interests in the event of hypothetical damage.

Section 4.1.3 Sentence 2 GCGC

Bertrandt AG has an adequate Compliance Management System, based on the risk situation of the company, that shall be reported on pursuant to the provisions of the Gesetz zur Stärkung der nichtfinanziellen Berichterstattung der Unternehmen in ihren Lage- und Konzernlageberichten (CSR-Richtlinie-Umsetzungsgesetz), which will be applicable to annual and consolidated financial statements as well as management and group management reports of the Company for the business year 2017/2018 ending on September 30, 2018 for the first time. With regards to these new legal provisions it was and will be deviated from Section 4.1.3 Sentence 2 GCGC.

Section 4.2.3 Para. 3 GCGC

Deviations were made and will be made to Section 4.2.3 Para.3 GCGC. The Supervisory Board doesn't aim to a specific pension level for the members of the Management Board but a market and company compliant remuneration of the active work. Pension commitments are therefore generally not granted. Such commitments exist, as stated for many years in the annual report, just towards one active and one former member of the Management Board.

Section 4.2.5 Para. 3 and 4 GCGC

Deviations were made and will be made to the recommendations in Section 4.2.5 Para. 3 and 4 GCGC, as, in the opinion of the company, by the applicable laws, which fully apply, a sufficient transparency of the Management Board's remuneration is achieved.

Section 5.3.2 Para. 3 Sentence 3 GCGC

The chairman of the Supervisory Board is for many years at the same time chairman of the examination board. This has proved itself and therefore deviations were made and will be made to Section 5.3.2 Para. 3 Sentence 3 GCGC.

Section 5.3.2 Para. 3 Sentence 2 GCGC Section 5.4.2 Sentence 1 Half Sentence 1 as well as Section 5.4.1 Para. 2 and 6 GCGC

The Company believes that its Supervisory Board consists of an appropriate number of independent members. As the term "independent members" wasn't finally defined in Section 5.4.2 Sentence 2 GCGC, the Company declares with utmost precaution that deviations will be made to Section 5.3.2 Para. 3 Sentence 2 GCGC, as well as to Section 5.4.2 Sentence 1 Half Sentence 1 as well as to Section 5.4.1 Para. 2 GCGC.

The same applies to the recommendation listed under Section 5.4.1 Para. 6 GCGC, which suffers from not having been undoubtedly concretised by Para. 7, which is why the Company with utmost precaution declares a deviation in this respect as well.

Section 5.4.2 Sentence 1 Half Sentence 2 GCGC

Deviations to Section 5.4.2 Sentence 1 Half Sentence 2 GCGC were and will also be made. The business model of Bertrandt AG is based among other factors, on a reliable confidentiality with regard to our customer's development processes and innovation cycles as well as on an effective

protection of our customer`s business secrets; to strengthen the customer`s confidence in those company processes, there is no representative of an individual shareholder on the Supervisory Board of the Company.

Section 5.4.1 Para. 2 and 4 GCGC as well as Section 4.1.5 GCGC

Deviations were made and will be made to Section 5.4.1 Para. 2 and 4 GCGC as well as to Section 4.1.5 GCGC. Bertrandt AG places primarily great emphasis on experience, capability and individual knowledge when hiring members of the Management Board and Supervisory Board as well as for any other leadership position material to the company. The Company is of the opinion that, even taking into account the aspects named in Section 5.4.1 Para. 2 GCGC, the Supervisory Board is appropriately staffed. To not restrict its future search for candidates from the start on, the Supervisory Board foregoes to decide on a strict competence profile or concrete objectives. In consideration of that fact, the Company has not defined a regulatory time period for the length of membership to the Supervisory Board as foreseen in 5.4.1 Para. 2 GCGC.

Without the definition of concrete objectives or a competence profile deviations were necessarily made and will be made to the recommendations in Section 5.4.1 Para. 4 GCGC.

Section 5.5.2 and Section 5.5.3 Sentence 1 GCGC

The Supervisory Board has in its Rules of Procedure independently formulated its own regulations governing the handling of conflicts of interest which deviates from the recommendations in Section 5.5.2 and 5.5.3 Sentence 1 GCGC. The Supervisory Board's Rules of Procedure oblige every Supervisory Board Member to disclose conflicts of interest to the Chairman of the Supervisory Board; the Chairman of the Supervisory Board is obliged to provide disclosure to the Vice-Chairman. Such stipulations exceed Section 5.5.3 Sentence 1 GCGC and do not differentiate as to whether the conflict of interest is material or only temporary but include every possible conflict. The waiving of the public disclosure of such statements also allows the supervisory board members to confidentially discuss violations that are in reality not violations but merely appear so in full confidentiality with the chairperson.

Section 7.1.2 Sentence 3 GCGC

Bertrandt AG has published on February 19, 2018 its report for the 1st quarter of the business year 2017/2018, on June 14, 2018 for the 2nd quarter and on August 29, 2018 its report for the 3rd quarter. Bertrandt AG always fulfils with its reporting the strict requirements of the Prime Standards of the German Stock Exchange. As long as the German Corporate Governance Code is not synchronised with the regulations of the Prime Standards, Bertrandt AG had reserved and reserves the right to deviate from Section 7.1.2 Sentence 3 GCGC.

Ehningen, September 24, 2018

The Management Board

The Supervisory Board

Dietmar Bichler
Chairman

Dr. Klaus Bleyer
Chairman