



Declaration of Conformity 2020

The Board of Management and the Supervisory Board of INDUS Holding AG (“the company”) hereby declare, in accordance with Section 161 of the German Stock Corporation Act (AktG), that the company has complied with the recommendations of the “Government Commission on the German Corporate Governance Code” as amended on 16 December 2019 – announced in the German Federal Gazette on 20 March 2020 – (“Code 2020”) since the announcement and will continue to do so in future, save for the following exceptions:

- **Section A.2 sentence 2 of the Code 2020: Opportunity to whistleblow with protection of the whistleblower**
In view of the open communication culture within the company and possible risks of abuse, the company had refrained from installing a whistleblowing system in the past. The company has now decided to install such a system and will make it available in the first quarter of 2021 at the latest. Consequently, the company will comply with recommendation A.2 sentence 2 of the Code 2020 as of that date.
- **Section G.I of the Code 2020: Remuneration of the Board of Management**
Section G.I of the Code 2020 contains new recommendations regarding the remuneration of the Board of Management. The following of these recommendations were not fully complied with in the past: G.3 (peer-group comparison), G.4 (workforce comparison), G.6 (predominance of long-term remuneration targets), G.10 (investment of variable remuneration in shares/share-based remuneration), G.11 (accounting for extraordinary developments) and G.13 (severance payment cap on termination of contract). In each of these cases, non-compliance was due to the fact that the Board of Management required a certain lead time to adjust the remuneration system. At its meeting on 9 December 2020, the Supervisory Board adopted an adjusted Management Board compensation system, which now complies with all recommendations of the Code 2020.

The Board of Management and the Supervisory Board also declare, in accordance with Section 161 of the German Stock Corporation Act (AktG), that the company complied with the recommendations of the “Government Commission on the German Corporate Governance Code” as amended on 7 February 2017 – announced in the German Federal Gazette on 24 April 2017 and corrected on 19 May 2017 (“Code 2017”) – since the issue of the last declaration of conformity in September 2019 until announcement of the Code 2020 on 20 March 2020, save for the following exceptions:

- **Item 4.1.3 sentence 3 half-sentence 1 of the Code 2017: Opportunity to whistleblow with protection of the whistleblower**
In view of the open communication culture within the company and possible risks of abuse, the company had refrained from installing a whistleblowing system allowing employees to report, in a protected manner, suspected breaches of the law within the enterprise.
- **Code Item 5.4.1 Para. 2 sentence 2 and Para. 4 sentence 1 and sentence 2 of the Code 2017: Regular limit to Supervisory Board members’ term of office**
The Supervisory Board had refrained from defining a regular limit to the term of office of the company’s Supervisory Board members, as a general regular limit ignores individual factors that may justify a longer term of office of individual Supervisory Board members. In particular, such a regular limit would have ignored the fact that it may be of special importance for the company to preserve the long-standing expertise of Supervisory Board members for the company. The (partial) non-compliance with Code Item 5.4.1 Para. 4 sentences 1 and 2 of the Code 2017, according to which the regular limit shall be taken into account in election proposals and its implementation status shall be published, was a consequence of the absence of such regular limit.

Bergisch Gladbach, 9th December 2020

For the Board of Management

For the Supervisory Board

Dr. Johannes Schmidt

Rudolf Weichert

Jürgen Abromeit

*This Declaration of Conformity is also available in German. Both the English and the German versions of the Declaration of Conformity can be downloaded from the Internet at www.indus.de .
Only the German version of the Declaration of Conformity is legally binding*