



## **Declaration of conformity with the German Corporate Governance Code by the Management and Supervisory Board of NORMA Group SE**

With the following exceptions, NORMA Group SE has complied since its last declaration was submitted, and will continue to comply, with the recommendations of the German Corporate Governance Code as amended on February 7, 2017 (published on April 24, 2017 by the Federal Ministry of Justice in the official section of the Federal Gazette) ('Bundesanzeiger'):

1. With respect to the compensation of the members of the Management Board, the Supervisory Board does not take into account the compensation of the upper management or the workforce as a whole (Section 4.2.2 para. 2 of the German Corporate Governance Code).

When determining the compensation of the Management Board, the Supervisory Board, advised by an external remuneration expert, also took into account the compensation structure of the Company as well as the entire NORMA Group. Due to the NORMA Group's dynamic development, the Supervisory Board has so far not explicitly defined the upper management or the workforce as a whole and, therefore, does not take these groups or their development over time into account.

2. Under service agreements with members of the Management Board the remuneration of the Management Board is not capped, either in total or in terms of its variable compensation elements (Section 4.2.3 para. 2 sentence 7 of the German Corporate Governance Code).

The Supervisory Board may grant in its sole discretion a special bonus for extraordinary achievements which is not limited by a maximum amount. The Supervisory Board does not believe such a maximum amount to be required because the Supervisory Board can ensure by specifically exercising its discretion that the requirement of adequacy under section 87 para. 1 of the German law on stock corporations is complied with. Until today, the Supervisory Board has never granted such a special bonus.

Apart from that, the agreements with all current members of the Management Board that were entered into since 2015 comply with the recommendations pursuant to Section 4.2.3 para. 2 sentence 7 of the German Corporate Governance Code.

In addition, the management service agreements that were entered into prior to 2015 depart from the recommendations pursuant to Section 4.2.3 para. 2 of the German Corporate Governance Code as follows:

The maximum gross option profit from the Matching Stock Program (MSP) for the Management Board is limited in total to a percentage of the average annual (adjusted) EBITA during the vesting period; therefore, a relative maximum limit that is dependent on the Company's success is applied rather than a maximum monetary amount.

The maximum amount of the long-term variable remuneration under the Long-Term Incentive Plan is limited to 250% of the amount that results based on the three-year average value of

the (adjusted) annual EBITA or the free cash flow that the Company has budgeted multiplied by the respective bonus percentages set in the employment contract.

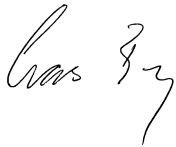
Under these programs, payments are still made to former members of the Management Board and Mr. Kleinhens.

3. Two members of the Supervisory Board have already reached the regular age limit (Section 5.4.1 para. 2 sentence 2 half sentence 4 German Corporate Governance Codex).

The tenure of a Supervisory Board member shall not be extended beyond his or her 70th birthday. Mr. Berg and Dr. Michelberger are already older than 70 years. The Supervisory Board is of the opinion that there is currently no reason to prematurely end these mandates prior to the end of the tenure. The membership of the Supervisory Board should mainly depend on abilities and actual capacities.

Maintal, January 31, 2019

**For and on behalf of the Supervisory Board**

A handwritten signature in black ink, appearing to read 'Lars M. Berg'.

- Lars M. Berg -

**For and on behalf of the Management Board**

A handwritten signature in black ink, appearing to read 'Bernd Kleinhens'.

- Bernd Kleinhens -