

CORPORATE GOVERNANCE STATEMENT – CORPORATE GOVERNANCE REPORT

In this statement, DF Deutsche Forfait AG (also referred to as “DF AG” or “the company”) reports on corporate governance as part of the management report in accordance with Section 289f (1) of the German Commercial Code (HGB). The Board of Management and the Supervisory Board additionally report in accordance with Section 3.10 of the German Corporate Governance Code as amended on 7 February 2017 and applicable in the financial year 2019.

The purpose of the German Corporate Governance Code is to make the rules for corporate management and supervision in Germany transparent to national and international investors in order to boost confidence in the management of German companies. The German Corporate Governance Code is of great importance for DF AG. DF AG is committed to compliance with laws and regulations, transparency and integrity and aims to be an organization in which these values are core elements of the corporate culture.

I.

DECLARATION OF CONFORMITY

Declaration of conformity with the recommendations of the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) as amended on 7 February 2017 and applicable in the financial year 2019.

The company’s declaration of conformity of April 2019 is published in a separate section on the website of DF AG under <https://www.dfag.de/en/corporate-governance/>. The same applies to the declaration of conformity issued in March 2020 for the current financial year.

II.

RELEVANT INFORMATION REGARDING CORPORATE GOVERNANCE PRACTICE

DF AG aims for corporate governance that is characterized by responsibility, transparency and value creation for the shareholders. The relevant policies arise from the law, the company’s Memorandum of Association and the recommendations of the German Corporate Governance Code.

Compliance with laws and ethical standards is of major importance to DF Group. In 2019, DF Group continued to update the Group-wide compliance system and adjusted it to reflect the recommendations of the German Corporate Governance Code and statutory amendments in cooperation and consultation with external consultants. This applied, in particular to (i) sanction regulations including the maintenance of the IT systems which are used every working day to automatically check new and existing customers with regard to their appearance on sanctions lists relevant for DF Group’s business; (ii) money laundering prevention; and (iii) data protection. Audits in accordance with the German Anti Money Laundering Act, including know-your-customer audits, are an integral part of the compliance system of DF Group, as are the Code of Conduct and Ethics for the Employees of DF Deutsche

Forfait AG and its Subsidiaries and the Whistleblower System of DF Deutsche Forfait AG and its Subsidiaries. The Code of Conduct and the Whistleblower System are published in a separate section of the website of DF AG under <https://www.dfag.de/en/corporategovernance/>.

III.

WORK OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

Work of the Board of Management and the Supervisory Board

In accordance with applicable statutory provisions for German joint stock companies, DF AG has a dual management and supervisory structure consisting of the Board of Management and the Supervisory Board.

Board of Management

The members of the Board of Management are appointed by the Supervisory Board. They are responsible for independently managing the company with the aim of creating sustainable value to its benefit, thus taking into account the interests of its shareholders, employees and other stakeholders. The members of the Board of Management conduct the company's business with the due care of a prudent businessman in accordance with the laws, the company's Memorandum of Association and the rules of procedure issued by the Supervisory Board for the Board of Management. The cooperation between the members of the Board of Management is governed by the rules of procedure, while the responsibilities of the Board of Management members are defined in the schedule of responsibilities. The rules of procedure also contain a list of transactions for which the Board of Management requires the approval of the Supervisory Board. The Board of Management cooperates in a trusting manner with the other bodies of the company in the interest of the latter.

Supervisory Board

The Supervisory Board of DF AG advises the company's Board of Management and supervises its management activities. According to the Memorandum of Association, it is composed of four members, all of whom are elected by the Annual General Meeting. As recommended by the DCGK, the members of the Supervisory Board are elected individually. The Supervisory Board can form committees from among its members and assign them decision-making power to the extent permitted by law. Since 15 January 2016, the tasks relating to DF AG's risk policies and risk management originally assigned to the Working Committee of the Supervisory Board have been performed by all members of the Supervisory Board. The Supervisory Board has not established an audit committee or a nomination committee. These responsibilities are currently being assumed by the Supervisory Board as a whole. As the Supervisory Board is composed of only four members according to the Memorandum of Association and was composed of only three members as of 31 December 2019 and currently still is composed of only three members, it currently does not appear to make sense to set up committees. The efficiency of the activities of such a small Supervisory Board cannot be sensibly increased

further by forming committees, especially since committees would have a quorum only if they were composed of at least three members.

Close cooperation between the Board of Management and the Supervisory Board

The Board of Management and the Supervisory Board of DF AG cooperate closely and in a trusting manner to the benefit of the company. To exercise its supervisory function, the Supervisory Board, and in particular the Chairman and the Deputy Chairman of the Supervisory Board, liaise regularly with the Board of Management. The Board of Management determines the strategic direction of the company, obtains approval from the Supervisory Board and implements strategic decisions. Transactions and corporate measures of special significance require approval from the Supervisory Board. Thanks to a regular, timely and comprehensive dialogue with the Board of Management, the Supervisory Board is at all times informed about the strategy, plans, business developments as well as the risk management and the material risk positions of the company.

IV.

INFORMATION ON THE PROMOTION OF EQUAL PARTICIPATION OF WOMEN ON THE BOARD OF MANAGEMENT, THE SUPERVISORY BOARD AND IN MANAGEMENT POSITIONS

In the financial year 2019, the company's Board of Management was composed of Dr. Behrooz Abdolvand (who also served as Chairman of the Board of Management), Ms Gabriele Kr.mer and Mr Christoph Charpentier until 30 November 2019. Ms Gabriele Kr.mer and Mr Christoph Charpentier resigned from the Board of Management with effect from 30 November 2019. Mr Hans-Joachim von Wartenberg was appointed to the Board of Management with effect from 1 December 2019. No other changes occurred on the Board of Management during the financial year from 1 January to 31 December 2019.

Since 1 December 2019, the Board of Management has thus been composed of Dr. Behrooz Abdolvand (also Chairman of the Board of Management) and Mr Hans-Joachim von Wartenberg.

Until 30 November 2019, the Board of Management had three members, with a share of women of 33.3%; since 1 December 2019, it has consisted of two members with a share of women of 0%. According to a resolution dated 13 March 2020, the Supervisory Board defined a target of 33% for the share of women on the Board of Management until 31 December 2020. This target figure exceeds the current level.

As of 31 December 2019, the Supervisory Board was composed of three members, namely Dr. Ludolf von Wartenberg (Deputy Chairman), Prof. Dr. Wulf-W. Lapins and Ms Bianca Engel. The Supervisory Board currently consists of three members, i.e. Dr. Ludolf von Wartenberg (Chairman of the Supervisory Board), Prof. Dr. Wulf-W. Lapins (Vice Chairman of the Supervisory Board) and Dr. Gerd-Rudolf Wehling, who was appointed by court order on 21 April 2020 at the request of the Management Board. Ms Bianca Engel was elected to the Supervisory Board by the Annual General Meeting on 5 July 2019 and resigned from the Supervisory Board in March 2020 with effect from 16 April 2020. With effect from 12 December 2019, Mr Franz Josef Nick, the former Chairman of the Supervisory Board who was in office in

the financial year 2019 until 8 November, resigned from the Supervisory Board. On 8 November 2019, the Vice Chairman of the Supervisory Board, Dr. Ludolf von Wartenberg, took over as Chairman of the Supervisory Board until the election of a new Chairman on 13 March 2020. No other personnel changes occurred during the financial year from 1 January to 31 December 2019.

In the financial year 2019, the share of women on the Supervisory Board was thus 0% until 4 July 2019, 25% from 5 July 2019 to 12 December 2019, 33.3% from 13 December 2019 to 31 December 2019; it currently stands at 0%.

According to a resolution dated 13 March 2020, the Supervisory Board defined a target of 25% for the share of women on the Supervisory Board to be achieved by 31 December 2020. Diversity is taken into account in the composition of the Supervisory Board, but the company primarily attaches importance to the experience, skills and knowledge of each individual member. The Supervisory Board is of the opinion that the consideration of further criteria would unreasonably limit the choice of candidates for a Supervisory Board which, according to the Memorandum of Association, consists of only four members.

As the company's operations were outsourced to DF Deutsche Forfait GmbH in August 2016, there are currently no managers and executives below the Board of Management at DF AG. Thus, DF AG currently has no management level below the Board of Management. On 13 November 2019, the latter therefore decided not to define a target for the share of women at the two management levels below the Board of Management until 31 December 2021.

V.

OTHER CORPORATE GOVERNANCE INFORMATION

Transparent communication

DF AG aims for open and transparent communication with its shareholders, bondholders and other investors. All dates of special interest to shareholders and bondholders are found on the company website, including publication dates for annual and interim reports. Additional information relates, for instance, to reportable securities transactions pursuant to Regulation (EC) No. 596/2014 on Market Abuse (Market Abuse Regulation), ad hoc announcements and press releases.

Efficiency audit

The regular audit regarding the efficiency of the Supervisory Board represents an important pillar of good corporate governance. The German Corporate Governance Code stipulates in Section 5.6 that the Supervisory Board shall "regularly check the efficiency of its actions". To do this, a questionnaire tailored to the special characteristics of DF AG has been developed. The questionnaire is regularly sent to the members of the Supervisory Board. The results of this survey are then discussed at a Supervisory Board meeting. The questionnaire primarily encompasses organizational processes in the Supervisory Board, the timely and sufficient supply of information to the Supervisory Board as well as personnel-related questions. The efficiency audit was performed at the meeting on 3 September 2019.

Risk management, accounting and auditing, compliance

On the one hand, the risk management system established by the company serves to diversify risks and to limit them in accordance with the company's risk-bearing capacity, primarily in order to avoid losses and jeopardizing the company's continued existence. On the other hand, risks shall be identified at an early stage in order to avoid them to the extent possible or to at least initiate counter-measures. The risk management system is reviewed and refined regularly and adjusted to changing conditions on an ongoing basis.

The consolidated financial statements of DF Group are prepared in accordance with International Financial Reporting Standards (IFRS), such as they have been endorsed by the European Union, as well as with Section 315e of the German Commercial Code (HGB). The separate financial statements of DF AG are prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Munich, were elected auditors and Group auditors for the financial year 2019 by the Annual General Meeting held on 5 July 2019 and appointed by the Supervisory Board. Prior to the appointment, the Supervisory Board ensured that the relationships between the auditors and the company or its institutions do not give reason to doubt the independence of the auditors. Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Munich, audited the separate financial statements and the consolidated financial statements for the financial year from 1 January to 31 December 2019.

Compensation of the Board of Management and the Supervisory Board

The compensation report of the consolidated financial statements provides a detailed presentation of the fundamental structure of the compensation of the Board of Management and the Supervisory Board and discloses the compensation received by the individual members of the Board of Management in accordance with statutory requirements. The compensation report is part of the audited consolidated financial statements for the financial year 2019.

Shareholdings and reportable transactions of the Board of Management and the Supervisory Board

Shareholdings of members of the Board of Management

As of 31 December 2019, the members of the Board of Management held the following shares:

As of 31 December 2019, the members of the Board of Management who were in office during the financial year directly or indirectly held only a small number of shares in the company, in total less than 0.1% of the shares of DF AG. The members of the Board of Management who were in office on 31 December 2019 did not directly or indirectly hold any shares in the company as of 31 December 2019. In an ad hoc announcement dated 18 September 2019, DF AG informed that the company's CEO, Dr. Behrooz Abdolvand, had informed the company that on that day he had signed a memorandum of understanding regarding a possible acquisition of the majority of the share capital and voting rights of the company from the current majority shareholder of DF Deutsche Forfait AG, Dr. Shahab Manzouri, who at that time held 79.14% of

the share capital and voting rights of the company; he also informed that the details of the transaction structure had not yet been finally clarified and that the acquisition of the shares was still subject to the signing of legally binding agreements. On 21 April 2020 DF AG released an ad hoc announcement stating that the Chairman of the Management Board, Dr. Behrooz Abdolvand, had informed the company that the negotiations concerning his intended acquisition of the majority of the share capital and the voting rights from the current majority shareholder of DF AG, Dr. Shahab Manzouri, have not resulted in an agreement and have been terminated.

Shareholdings of members of the Supervisory Board

As of 31 December 2019, the members of the Supervisory Board held the following shares:

As of 31 December 2019, the members of the Supervisory Board who were in office during the financial year directly or indirectly held only a small number of shares in the company, in total less than 0.1% of the shares of DF AG.

Reportable transactions

According to Section 19 of the Market Abuse Regulation (MAR), the members of the Board of Management and the Supervisory Board are obliged to notify DF AG and the competent supervisory authority of the purchase or sale of shares in DF AG made by themselves or by closely associated persons. Transactions reported to DF AG according to Section 19 of the Market Abuse Regulation (MAR) are published on the DF AG website at www.dfag.de under “Corporate Governance” in the “Investor Relations” section.

Other information

With a view to avoiding potential conflicts of interest and the number of independent Supervisory Board members, the Supervisory Board has set itself the objective that – taking the ownership structure into account – at least half of the Supervisory Board members should be independent. The Supervisory Board assessed the independence of its members in accordance with No. 5.4.2 of the German Corporate Governance Code (as amended in February 2017). In the financial year 2019, the Supervisory Board considered all of its current members to be independent. The Supervisory Board continues to regard all members of the Supervisory Board as independent, although there is a family relationship between a member of the Board of Management and a member of the Supervisory Board.