

Corporate Governance Statement

according to § 289f HGB und § 315d HGB

1. Declaration of compliance with the German Corporate Governance Code (DCGK) in accordance with Section 161 AktG of January 26, 2021

The board of directors and the supervisory board of a stock corporation listed in Germany are obliged under Section 161 (1) AktG to submit a declaration at least once a year about the extent to which the recommendations of the DCGK have been followed in the past and how this is intended for the future. The Dr. Höhle AG attaches great importance to the rules of proper corporate governance. The board of directors and the supervisory board of Dr. Höhle AG published the following declaration of conformity on January 26, 2021.

The board of directors and the supervisory board of Dr. Höhle AG declare in accordance with Section 161 of the German Stock Corporation Act that the recommendations of the Government Commission on the German Corporate Governance Code in the version of February 7, 2017 - DCGK 2017 - published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette, have been issued since the last declaration of compliance on January 24, 2020 with the following exceptions:

Deductible for D&O insurance for the supervisory board (deviation from section 3.8 para. 3 DCGK 2017)

The German Corporate Governance Code recommends that an appropriate deductible should be agreed if the company takes out D&O (Directors and Officers) insurance for the Supervisory Board (Section 3.8 (3) DCGK 2017). The D&O insurance cover for the Executive Board includes a deductible in accordance with the statutory provisions. However, the insurance policy does not provide for a deductible for the members of the Supervisory Board. The management board and the supervisory board continue to be of the opinion that responsible behavior is a natural duty of all board members; there is therefore no need for a deductible for the members of the Supervisory Board.

Duties of the Management Board (deviation from Section 4.1.3, Section 4.1.5 DCGK 2017)

According to section 4.1.3 DCGK 2017, the management board should disclose the main features of the existing compliance management system. The Dr. Höhle AG does not believe that the publication of the compliance management system is necessary for compliance with regulations. The Dr. Höhle AG therefore refrains from disclosing the main features of the compliance management system. According to section 4.1.5 DCGK 2017, the executive board has to set target values for the proportion of women in the two management levels below the executive board. The board of directors of Dr. Höhle AG in accordance with the provisions of the law on the equal participation of women and men in management positions in the private and public sectors of April 24, 2015. The Executive Board set a target for the proportion of women in the first management level below the Board of Management of at least 25%. This corresponds to the current proportion of women at this level. The Executive Board has also set a target to be achieved for the proportion of women in the second management level below the Executive Board of at least 0%. It is therefore not necessary to define a deadline for implementation. The board of directors is of the opinion that when filling management positions, personal qualifications and individual abilities, but not gender, are decisive.

Composition of the Management Board (deviation from Section 4.2.1 Sentence 1 DCGK 2017)

The German Corporate Governance Code recommends that the management board should have a chairman or spokesperson (Section 4.2.1 sentence 1 DCGK 2017). The board of directors of Dr. Höhle AG consists of three people. The division of responsibilities and cooperation within the board are regulated in the rules of procedure for the board. There is a chairman of the board of directors or a board spokesman at Dr. Höhle AG does not. The board members work together successfully and closely in this structure. There are no plans to appoint a chairman or spokesman.

Structure of Management Board remuneration (deviation from Section 4.2.3 Paragraph 2 GCGC 2017)

The German Corporate Governance Code recommends that the remuneration of the Management Board should contain fixed and variable components. The variable remuneration components should in principle have a multi-year assessment basis, which should essentially be future-oriented and not be payable ahead of time (Section 4.2.3 Paragraph 2 GCGC 2017). The Supervisory Board of Dr. Höhle AG does not believe that a future-oriented assessment basis increases the quality of the Management Board's work. The board members of Dr. Höhle AG therefore receive variable and limited remuneration components for the financial year and the two previous financial years.

Payments to a member of the Management Board in the event of premature termination of the Management Board activity (deviation from Item 4.2.3 Paragraph 4, Paragraph 5 DCGK 2017)

The German Corporate Governance Code recommends that when concluding management board contracts, care should be taken to ensure that payments to a member of the management board in the event of premature termination of management board activity, including fringe benefits, do not exceed the value of two annual salaries and do not pay more than the remaining term of the employment contract. The calculation of the severance payment cap should be based on the total remuneration for the past financial year and, if applicable, also on the expected total remuneration for the current financial year (severance payment cap, Section 4.2.3 Paragraph 4 DCGK 2017). The supervisory board appoints the management board of Dr. Höhle AG for a term of office not exceeding five years. The executive board contracts do not provide for any limitation of the severance payment to be paid in this case in the event of premature termination of executive board activities. In principle, the Supervisory Board considers the severance payment cap recommended by the German Corporate Governance Code to be legally problematic in the event of premature termination of Management Board activities. If the premature termination takes place for an important reason for which the board member is responsible, the board member is not entitled to a severance payment. In the event of premature termination of the Management Board activities without good cause, the Management Board contracts provide for the payment of the Management Board

remuneration until the end of the term of the Management Board contracts. The Supervisory Board considers this provision to be appropriate, as on the one hand it corresponds to the civil law valuation for contracts with a fixed term which - except in the case of important reasons - cannot be terminated, and thus there is also a claim to payment of the agreed remuneration. In addition, from the point of view of the Supervisory Board, it is legally uncertain how the company can enforce such a severance payment cap in a specific case. In the event that a member of the Management Board leaves due to a change of control, the Management Board contracts do not provide for a severance payment cap, so that the recommendation in Section 4.2.3 Paragraph 5 GCGC 2017 is also deviated from here. In this case, the management board contracts provide for a severance payment in the amount of the management board remuneration until the end of the term of the management board contract and, with regard to the existing pension commitment, an option for the board of management members to have the value of the pension commitment paid in return for a severance payment or to receive the entitlements from the pension commitment. The deviation from the recommendation in Section 4.2.3 Paragraph 5 DCGK 2017 is based on the result of the negotiations with the Management Board when the Management Board contracts were concluded

Disclosure of executive board remuneration (deviation from section 4.2.5 (3) DCGK 2017)

The German Corporate Governance Code recommends presenting the benefits granted to each member of the Management Board, supplemented by the maximum and minimum remuneration that can be achieved in the case of variable remuneration components, as well as the inflow of fixed remuneration, short-term variable remuneration and long-term variable remuneration, and using prepared sample tables for this information (Section 4.2.5 Paragraph 3 GCGC 2017). The Dr. Höhle AG publishes the remuneration of the members of the Management Board in accordance with the applicable regulations and subdivided them into non-performance-related and performance-related remuneration and pensions. It is not of the opinion that a change in the presentation of the Management Board remuneration increases the quality and clarity.

Duties of the Supervisory Board (deviation from section 5.1.2 DCGK 2017)

According to Section 5.1.2 DCGK 2017, the Supervisory Board must set targets for the proportion of women on the Management Board. This was done by the supervisory board of Dr. Hönle AG in accordance with the provisions of the law on the equal participation of women and men in management positions in the private and public sectors of April 24, 2015. The Supervisory Board set a target to be achieved for the proportion of women on the Management Board of Dr. Hönle AG of at least 0%. There is therefore no need to define a deadline for implementation. The board members of Dr. Hönle AG manage the group successfully. For this reason, no minimum target should be set for the proportion of women on the Executive Board greater than 0%. When selecting members of the Executive Board, the Supervisory Board will be guided by the qualifications and individual skills of the candidate. In the opinion of the Supervisory Board, gender or age are not decisive when making appointments to the Executive Board, the only decisive factor is to find the most suitable person for the position of the Executive Board member to be filled. There are currently no plans to raise the existing target for the proportion of women on the Executive Board by at least 0%.

Formation of committees in the supervisory board (deviation from section 5.3 DCGK 2017)

The German Corporate Governance Code recommends that the supervisory board should form professionally qualified committees, in particular an audit committee and a nomination committee (Section 5.3 DCGK 2017). The supervisory board of Dr. Hönle AG currently consists of three members. Decision-making committees must also consist of three people. Due to the size of the supervisory board of Dr. Hönle AG are currently not forming any committees. The formation of committees is also not planned in the future.

Composition of the Supervisory Board (deviation from Item 5.4.1 Paragraph 2, Paragraph 3, Item 5.4.2 DCGK 2017)

The German Corporate Governance Code gives specific recommendations for the composition of the Supervisory Board. The Code recommends, among other things, the definition of age limits for members of the Supervisory Board and the definition of a regular limit for the length of membership on the Supervisory Board as well as diversity (Section 5.4.1 Paragraph 2 GCGC 2017). In addition, the Supervisory Board should state

specific goals for its composition and develop a competence profile for the entire body (Section 5.4.1 Paragraph 2 GCGC 2017). The status of the goal-setting process for the composition and the competence profile should be published in the corporate governance report. Furthermore, the corporate governance report should also provide information about the appropriate number of independent members of the shareholders in the opinion of the Supervisory Board and the names of these members (Section 5.4.1 Paragraph 3 GCGC 2017). In addition, the members of the Supervisory Board should take the ownership structure of the company into account (Section 5.4.2 DCGK 2017). The Supervisory Board of Dr. Hönle AG currently consists of three members. The Dr. Hönle AG is of the opinion that personal qualifications and individual abilities, but not, for example, gender, age or the ownership structure of the company, are decisive when making appointments to the Supervisory Board. The Supervisory Board of Dr. Hönle AG has not set any fixed age or other membership limits for its members. The Dr. Hönle AG sees such a definition as an unreasonable restriction of the shareholders' right to elect the members of the Supervisory Board. The Supervisory Board has therefore not formulated any specific goals or competence profiles in terms of the Code for its composition. The Dr. Hönle AG will therefore not publish the objectives of the composition of the Supervisory Board or the fulfillment of the competence profile and the status of implementation in the corporate governance report. The same applies to the number of independent members and their naming. Since the supervisory board of Dr. Hönle AG currently only consists of three members, who present themselves in detail to the general meeting before their election to the supervisory board and also ask questions of the general meeting about themselves, according to Dr. To date, Hönle AG has also refrained from adding a candidate's curriculum vitae to the respective candidate proposal when electing supervisory board members and publishing this updated annually on the company's website. The Supervisory Board of Dr. However, in accordance with the provisions of the law on equal participation of women and men in management positions in the private and public sectors of April 24, 2015, Hönle AG formulated a target for the proportion of women on the Supervisory Board. Since the Dr. Hönle AG is not subject to the Codetermination Act, its Supervisory Board does not have to be made up of at least 30% women and at least 30% men. The Supervisory Board of Dr. Hönle AG

has set a target to be achieved for the proportion of women on the Supervisory Board of at least 0%. A deadline for reaching the target does not have to be defined. The acting members of the Supervisory Board of Dr. Höhle AG were newly elected for a five-year term at the Annual General Meeting in May 2020

Accounting (deviation from section 7.1.2 sentence 2, sentence 3 DCGK 2017)

The German Corporate Governance Code recommends that the Management Board discuss financial information during the year with the Supervisory Board or its Audit Committee prior to publication (Section 7.1.2 sentence 2 GCGC 2017). In the course of an efficient publication process, Dr. Höhle AG has already published interim financial information (interim reports) in the past without detailed discussion with the Supervisory Board and intends to do so in the future. Furthermore, the German Corporate Governance Code recommends that the consolidated financial statements and the group management report be made publicly available within 90 days and the mandatory interim financial information (interim reports) within 45 days of the end of the financial year (section 7.1.2 sentence 3 GCGC 2017). As before, the Dr. Höhle AG will continue to provide preliminary figures for the financial year within 90 days. However, in accordance with the rules of the Frankfurt Stock Exchange for Prime Standard stocks, the annual report is published within four months of the end of the reporting period. Semi-annual reports and quarterly reports are published within two months of the end of the reporting period in accordance with the rules of the Frankfurt Stock Exchange. The shortening of the publication times would in an unreasonable proportion increase the administrative costs. The publication deadlines will therefore remain unchanged until further notice

The board of directors and the supervisory board of Dr. In accordance with Section 161 of the German Stock Corporation Act, Höhle AG declares that the recommendations of the Government Commission on the German Corporate Governance Code in the version dated December 16, 2019 - DCGK 2019 - published by the Federal Ministry of Justice and Consumer Protection in the official part of the Federal Gazette, with the following Exceptions currently and in the future will be met:

Management tasks of the board of directors: Consideration of diversity when filling management positions (deviation from recommendation A.1 DCGK 2019)

The German Corporate Governance Code recommends that the Board of Management should pay attention to diversity when filling management positions (Recommendation A.1 DCGK 2019). In accordance with the provisions of the law on the equal participation of women and men in management positions in the private and public sectors of April 24, 2015, the board of directors has set targets for the proportion of women in the two management levels below the board of directors. The Management Board set a target of at least 25% for the proportion of women in the first management level below the Management Board by June 30, 2022. This corresponds to the current proportion of women at this level. The Executive Board has also set a target to be achieved for the proportion of women in the second management level below the Executive Board of at least 0%. It is therefore not necessary to define a deadline for implementation. The board of directors is of the opinion that further aspects of diversity should not play a role when filling management positions, but rather the personal qualifications and individual skills of the relevant manager should be in the foreground.

Management tasks of the board of directors: establishment of a compliance management system and disclosure of its basic features as well as a protected whistleblower system (deviation from recommendation A.2 sentence 1, 2nd half sentence, sentence 2 1st half sentence GCGC 2019)

The German Corporate Governance Code recommends that the management board should disclose the main features of the compliance management system (recommendation A.2 sentence 1, 2nd half-sentence GCGC 2019). The Dr. Höhle AG does not believe that the publication of the

compliance management system is necessary for adherence to compliance regulations. The Dr. Hönle AG therefore refrains from disclosing the main features of the compliance management system. Furthermore, the code recommends that employees should be given the opportunity in a suitable manner to provide protected information about legal violations in the company (recommendation A.2 sentence 2 1st half-sentence GCGC 2019). Management board and supervisory board of Dr. Hönle AG is of the opinion that the establishment of a protected whistleblower system for compliance with the applicable laws and regulations by the management board, the supervisory board and employees of Dr. Hönle AG is not required.

Composition of the board of directors: respect for diversity (deviation from recommendation B.1 DCGK 2019)

The German Corporate Governance Code recommends that the Supervisory Board should pay attention to diversity in the composition of the Executive Board (Recommendation B.1 DCGK 2019). In accordance with the requirements of the law on the equal participation of women and men in management positions in the private and public sectors of April 24, 2015, the Supervisory Board of Dr. Hönle AG a target to be achieved for the proportion of women on the board of Dr. Hönle AG of at least 0%. There is therefore no need to define a deadline for implementation. The two board members of Dr. Hönle AG, Mr. Haimerl and Mr. Runge, have been successfully managing the group for many years. Since January 1, 2021, Mr. Rainer Pump, the new board member for development and production, has also been a member of the company's board of directors. The management of Dr. Hönle AG is therefore guaranteed and for this reason no minimum target should be set for the proportion of women on the Management Board greater than 0%. When selecting members of the Executive Board, the Supervisory Board will generally orient itself on the qualifications and individual skills of the candidate. In the opinion of the Supervisory Board, gender or age or other aspects of diversity are not decisive when making appointments to the Executive Board, the only decisive factor is finding the most suitable person for the Executive Board position to be filled. There are currently no plans to raise the existing target for the proportion of women on the Executive Board by at least 0% or to consider other aspects of diversity when making appointments.

Composition of the Board of Management: re-appointment within one year before the end of the term of office (deviation from recommendation B.4 DCGK 2019)

The German Corporate Governance Code recommends that a member of the Management Board should be reappointed one year before the end of the term of office and that the current appointment should only be canceled if there are special circumstances (Recommendation B.4 DCGK 2019). Under stock corporation law, according to the case law, neither a special nor an important reason is required for an early reappointment before the end of one year before the end of the term of the appointment, while the current appointment is canceled. The Supervisory Board adheres to the requirements of stock corporation law for the reappointment of Executive Board members. At the same time, however, in the interests of the company, the supervisory board would like to be able to react as flexibly as possible to the requirements for the reappointment of a board member from the point of view of the supervisory board, without the need for "special circumstances" in the sense of the code recommendation.

Composition of the Management Board: Determination of an age limit for members of the Management Board (deviation from Recommendation B.5 DCGK 2019)

The German Corporate Governance Code recommends that an age limit be set for members of the Management Board and specified in the corporate governance declaration (Recommendation B.5 DCGK 2019). The Supervisory Board is of the opinion that the personal qualifications and individual abilities of a member of the Management Board, but not age, are decisive when making appointments to the Management Board. Therefore, the Supervisory Board of Dr. Hönle AG has not set any fixed age limits for members of the Management Board. Since there is no age limit, it is logically not stated in the corporate governance statement.

Composition of the Supervisory Board: Specification of specific goals (deviation from Recommendation C.1 DCGK 2019)

The German Corporate Governance Code recommends that the Supervisory Board name specific goals for its composition and develop a competence profile for the entire body (see recommendation C.1 DCGK 2019 for this and for the other recommendations mentioned below). The supervisory board should pay attention to diversity.

Proposals by the supervisory board to the general meeting should take these goals into account and at the same time aim to fill in the competence profile for the entire committee. The status of implementation is to be published in the declaration on corporate governance. This should also provide information about the appropriate number of independent shareholder representatives and the names of these members in the opinion of the shareholder representatives on the Supervisory Board. The Supervisory Board of Dr. Hönle AG currently consists of three members. The Dr. Hönle AG is of the opinion that personal qualifications and individual skills, but not, for example, gender or age or other aspects of diversity or the company's ownership structure, are decisive when making appointments to the Supervisory Board. The Dr. Hönle AG sees such a definition as an unreasonable restriction of the shareholders' right to elect the members of the Supervisory Board. The Supervisory Board has therefore not formulated any specific goals or competence profiles in terms of the Code for its composition. The Dr. Hönle AG will therefore not publish the objectives of the composition of the Supervisory Board or the fulfillment of the competence profile and the status of implementation in the declaration on corporate governance. The same applies to the number of independent members and their naming. The Supervisory Board of Dr. However, in accordance with the provisions of the law on equal participation of women and men in management positions in the private and public sectors of April 24, 2015, Hönle AG set a target for the proportion of women on the Supervisory Board. Since the Dr. Hönle AG is not subject to the Codetermination Act, its Supervisory Board does not have to be made up of at least 30% women and at least 30% men. The Supervisory Board of Dr. Hönle AG has set a target to be achieved for the proportion of women on the Supervisory Board of at least 0%. A deadline for reaching the target does not have to be defined. The acting members of the Supervisory Board of Dr. Hönle AG were re-elected for a term of five years at the Annual General Meeting on May 26, 2020. For the current term of office of the newly elected Supervisory Board, no target should therefore be set for the proportion of women on the Supervisory Board greater than 0%. At the ordinary general meeting in 2021, the supervisory board is to be expanded by a further member to four members and a corresponding proposal for a resolution at the ordinary general meeting of Dr. Hönle AG to be put to the vote. The Supervisory Board will propose a candidate

as an additional member, so that the proportion of women on the Supervisory Board - assuming the proposed candidate is elected - will be 25% in future. The Supervisory Board will then set the target for the proportion of women on the Supervisory Board and the target achievement period.

Composition of the Supervisory Board: Age limit to be determined for members of the Supervisory Board (deviation from Recommendation C.2 DCGK 2019)

The German Corporate Governance Code recommends that an age limit be set for members of the Supervisory Board and specified in the corporate governance declaration (Recommendation C.2 DCGK 2019). The Supervisory Board of Dr. Hönle AG has not set any fixed age or other membership limits for its members. The Dr. Hönle AG sees such a definition as an unreasonable restriction of the shareholders' right to elect the members of the Supervisory Board.

Independence of the members of the supervisory board: length of membership on the supervisory board (deviation from recommendation C.7, paragraph 2, last indent DCGK 2019)

The German Corporate Governance Code recommends that, when assessing the independence of their members from the company and the management board, shareholders should consider in particular whether the supervisory board member himself or a close family member of the supervisory board member has been on the supervisory board for more than 12 years (Recommendation C.7, Paragraph 2, last indent DCGK 2019). Prof. Dr. Hönle has been a member of the Dr. Hönle AG. Due to his many years of expertise in the company's business area, Prof. Dr. Hönle is excellently suited to supervising the management. Limiting the supervisory board mandate to 12 years would be disadvantageous for the company. Although Prof. Dr. Hönle has long been on the Supervisory Board of Dr. Hönle AG is a member, it is to be regarded as independent.

Independence of the members of the supervisory board: composition of the committee (deviation from recommendation C.10 DCGK 2019)

The German Corporate Governance Code recommends that the chairman of the supervisory board, the chairman of the audit committee and the chairman of the committee dealing with the remuneration of the management board should be independent of the company and the

management board (see recommendation C.10 DCGK 2019 for this and the other recommendations mentioned below). Prof. Dr. Hönle has been a member of the Dr. Hönle AG and has been Chairman of the Supervisory Board since 2015. Due to his many years of expertise in the field of optics and laser technology as well as his experience in the management of companies, Prof. Dr. Hönle is excellently suited to supervising the management. Limiting the Supervisory Board mandate to 12 years would be disadvantageous for the company. Even if Prof. Dr. Hönle has long been on the Supervisory Board of Dr. Hönle AG is a member, it is to be regarded as independent.

Working method of the supervisory board: Committees of the supervisory board (deviation from recommendations D.2, D.3, D.4 and D.5 DCGK 2019)

The German Corporate Governance Code recommends that the Supervisory Board should form professionally qualified committees regardless of the specific circumstances of the company and the number of its members. This recommendation D.2 and the further recommendations D.3, D.4 and D.5 DCGK 2019 deal with the requirements, among other things, for the composition and chairmanship of the corresponding committees. The Supervisory Board of Dr. Hönle AG currently consists of three members. Decision-making committees must also consist of three people. Due to the size of the supervisory board of Dr. Hönle AG are currently not forming any committees. The formation of committees is also not planned in the future.

Transparency and external reporting: Deadlines for financial information (deviation from Recommendation F.2 DCGK 2019)

The German Corporate Governance Code recommends that the consolidated financial statements and the group management report should be made publicly available within 90 days of the end of the financial year and the mandatory financial information during the year within 45 days of the end of the reporting period (Recommendation F.2 DCGK 2019). As before, the Dr. Hönle AG will continue to provide preliminary figures for the financial year within 90 days. However, in accordance with the rules of the Frankfurt Stock Exchange for Prime Standard stocks, the annual report is published within four months of the end of the reporting period. Semi-annual reports and quarterly reports are published within two months of the end of the reporting period in accordance with the rules of

the Frankfurt Stock Exchange. The shortening of the publication times would in an unreasonable proportion increase the administrative costs. The publication deadlines will therefore remain unchanged until further notice.

Remuneration of the Management Board: ratio of the long-term oriented goals to the short-term oriented goals in the variable remuneration (deviation from recommendation G.6 DCGK 2019)

The German Corporate Governance Code recommends that the variable remuneration resulting from the achievement of long-term goals should exceed the share of short-term goals. The Supervisory Board of Dr. Hönle AG is of the opinion that the Management Board of Dr. Hönle AG ensures the long-term and sustainable development of the company, even if the variable remuneration resulting from the achievement of long-term goals does not exceed the share of short-term goals.

Remuneration of the Management Board: performance criteria for variable remuneration components (deviation from recommendation G.7 DCGK 2019)

The German Corporate Governance Code recommends that the Supervisory Board should define the performance criteria for each individual Management Board member for all variable remuneration components for the upcoming financial year, which - in addition to operational - should be based primarily on strategic objectives. The Supervisory Board should also determine the extent to which the individual goals of the individual Management Board members or goals for all Management Board members together are decisive. The Supervisory Board of Dr. Hönle AG is of the opinion that the Management Board of Dr. Hönle AG, operational performance criteria should be used for the majority of the variable remuneration components, behind which there is also a strategic objective. The Supervisory Board is of the opinion that the definition of the individual goals of the Executive Board members should not be decisive. A remuneration system based on the setting of individual goals would be too complicated and possibly offer too much leeway for interpretation.

Remuneration of the Management Board: variable remuneration in shares of the company (deviation from recommendation G.10 DCGK 2019)

The German Corporate Governance Code recommends that the variable compensation amounts granted to the Management Board be invested mainly in shares in the company, taking into account the respective tax burden, or granted accordingly on a share-based basis (Recommendation G.10 sentence 1 DCGK 2019). The Executive Board member should only be able to dispose of the long-term variable grant amounts after four years (recommendation G.10 p. 2 DCGK 2019). The remuneration system of Dr. Höhle AG does not provide for variable remuneration in the form of shares in the company or corresponding share-based remuneration. The variable remuneration system has evolved over a long period of time at Dr. Höhle AG has proven itself very well. A change is therefore not planned.

Remuneration of the Management Board: extraordinary developments (deviation from recommendation G.11 DCGK 2019)

The German Corporate Governance Code recommends that the Supervisory Board should be able to take extraordinary developments into account within an appropriate framework. In justified cases, variable remuneration should be retained or reclaimed. According to Section 87 (2) AktG, the supervisory board should reduce the remuneration to the appropriate amount if the company's situation deteriorates to such an extent that it would be unreasonable for the company to continue to grant the remuneration under paragraph 1. According to this, the Supervisory Board already has a statutory right to reduce its remuneration. In the opinion of the Supervisory Board of Dr. Höhle AG not required.

Remuneration of the Board of Management: severance payment cap and offset against compensation (deviation from recommendation G.13 p. 1 and G.13 p. 2 GCGC 2019)

The German Corporate Governance Code recommends that payments to a member of the Board of Management in the case of premature termination of the Board of Management should not exceed the value of two years' compensation (severance payment cap) and not pay more than the remaining term of the employment contract. In the event of a post-contractual non-competition clause, the severance payment should be offset against the compensation. From the point of view of the Supervisory Board of Dr. Höhle AG, the settlement of the contractual remaining term

of the Management Board service contract and the compensation due to a post-contractual non-competition clause are two fundamentally different payments. The severance payment for the remaining contractual term is based on the remaining term in the service contract. If this is more than two years at the time of early termination, the company feels bound by the contract and accordingly grants remuneration for the entire remaining term. The post-contractual non-competition clause, on the other hand, aims to ensure that the member of the Board of Management does not start working directly for a competitor after termination of his or her position on the Board of Management. The board member is entitled to compensation for this. However, in the opinion of the Supervisory Board, the compensation is not materially related to the severance payment for the remaining contractual term. Therefore, in the opinion of the Supervisory Board, offsetting the compensation against the severance payment is not convincing

Remuneration of the management board: Decision of the supervisory board on the offsetting of the remuneration of non-group supervisory board mandates against the remuneration of the members of the management board (deviation from recommendation G.16 DCGK 2019)

The German Corporate Governance Code recommends that the supervisory board should decide whether and to what extent the remuneration is to be taken into account when members of the management board take on supervisory board mandates outside the group. The Supervisory Board is of the opinion that the members of the Management Board should be able to decide on their own responsibility within the framework of their management competence within the framework of dutiful discretion whether they can take on further group-external supervisory board mandates in view of the time required for their Management Board mandate. If the management board members answer in the affirmative, the supervisory board is of the opinion that the remuneration for supervisory board mandates outside the group should not be offset against the management board remuneration of the relevant management board members, since the supervisory board remuneration for supervisory board mandates outside the group means the additional workload of the person concerned associated with the mandate to be compensated.

2. Reference to the company's website, on which the remuneration report for the last financial year and the auditor's note pursuant to Section 162 of the Stock Corporation Act, the applicable remuneration system pursuant to Section 87a Paragraph 1 and 2 Clause 1 of the Stock Corporation Act and the last remuneration resolution pursuant to Section 113 Paragraph 3 of Stock Corporation Act are made publicly available.

Section 289f of the German Commercial Code (HGB) in the version applicable from January 1, 2020 is to be applied for the first time to annual and consolidated financial statements as well as management and group management reports for the financial year beginning after December 31, 2020. The information on the remuneration report for the last financial year and the auditor's note in accordance with Section 162 of the Stock Corporation Act and the last remuneration resolution in accordance with Section 113 (3) of the Stock Corporation Act are currently not yet separately available on the Dr. Hönle AG to make it public. The remuneration system resolved by the Supervisory Board in accordance with Section 87a Paragraphs 1 and 2 Clause 1 of the Stock Corporation Act, which will be submitted for approval to the Annual General Meeting on March 23, 2021, is available on the website of Dr. Hönle AG can be found at <https://www.hoenle.de/investoren/corporate-governance>.

3. Information on corporate governance practices

The Dr. In addition to the legal regulations and the DCGK, Hönle AG attaches great importance to acting responsibly in all areas of the Group. However, this behavior is currently not regulated in a specific code of conduct, but is lived in daily practice.

4. Description of the working methods of the Board of Management and the Supervisory Board and the composition and working methods of their committees

The board of directors and the supervisory board of Dr. Hönle AG form the dual management and control structure in accordance with the provisions of German stock corporation law. The Management Board and the Supervisory Board work closely together for the benefit of the company.

4.1 Duties and working methods of the board

The board of directors of Dr. Hönle AG currently consists of three people. Effective January 1, 2021, Mr. Rainer Pump became a member of the board of Dr. Hönle AG appointed. The management board is responsible for managing the company in the company's interests, developing the company's strategic direction, coordinating it with the supervisory board and ensuring that it is implemented. The board of directors conducts the company's business on its own responsibility in accordance with the law, the articles of association and the rules of procedure of the board of directors and taking into account the resolutions of the general meeting. The division of responsibilities and cooperation within the board are regulated in the rules of procedure for the board. There is a chairman of the board of directors or a board spokesman at Dr. Hönle AG does not. The management board represents the company vis-à-vis third parties. The management takes place through regular strategic discussions at board level as well as with the divisional heads. The management board is informed monthly about the development of key parameters of the Dr. Hönle AG and its subsidiaries informed. The Management Board takes suitable measures to identify developments that could jeopardize the continued existence of the company at an early stage. This system is continuously developed and adapted to changing framework conditions. The risk report contains further information on risk management. The German Corporate Governance Code recommends that an age limit be set for members of the Management Board (Recommendation B.5 DCGK 2019). The Supervisory Board is of the opinion that the personal qualifications and individual abilities of a member of the Management Board, but not age, are decisive when making appointments to the Management Board. Therefore, the Supervisory Board of Dr. Hönle AG has not set any fixed age limits for members of the Management Board.

4.2 Tasks and working methods of the supervisory board

The Supervisory Board of Dr. Hönle AG appoints the members of the management board, monitors and advises the management board on the management of the business. He is always involved in all decisions of fundamental importance in a timely and appropriate manner. The Board of Management informs him regularly, promptly and comprehensively about the course of business, the earnings and financial situation, the employment situation as well as the

company's plans and projects. In preparation for the meeting dates, the Supervisory Board receives regular written reports from the Management Board. After careful examination and consultation, the Supervisory Board adopts resolutions, if necessary. The Supervisory Board currently has three members. It is planned to appoint the Supervisory Board of Dr. Hönle AG to expand by one member, so that the Supervisory Board then consists of four members. Rules of procedure regulate the tasks of the supervisory board and the internal organization of the supervisory board. The Supervisory Board holds two meetings every six months. The meetings of the Supervisory Board are usually held in person. The meetings of the supervisory board are called by the chairman of the supervisory board or, if he is prevented from doing so, by his deputy. The resolutions of the Supervisory Board are passed in meetings chaired by the Chairman of the Supervisory Board. The chairman of the supervisory board determines the type of vote. Resolutions are also permitted in writing, by telex, telephone, fax or telegraph if no member of the Supervisory Board objects to this procedure immediately. Resolutions of the Supervisory Board are passed with a simple majority of the votes cast, unless otherwise stipulated by law or the articles of association. Further details on the activities of the Supervisory Board are set out in the report of the Supervisory Board. The German Corporate Governance Code recommends that the Supervisory Board, together with the Management Board, ensure long-term succession planning. The Supervisory Board of Dr. Hönle AG is in constant communication with the Executive Board as to whether the current composition of the Executive Board corresponds to the company's strategic goals or whether additional Executive Board members should be appointed in order to meet the company's strategic goals. Employees and managers of the company are individually promoted through training and prepared for possible management positions. As a matter of principle, the supervisory board initially tries to recruit executives for a management position from the group. If no suitable candidates are available within the Group, the Supervisory Board uses recruitment agencies to identify and recruit suitable candidates for a position on the Executive Board that may be filled. The DCGK gives specific recommendations for the composition of the supervisory board. The DCGK recommends, among other things, that the supervisory board should state specific goals for its composition and develop a competence profile for the entire body.

The supervisory board should pay attention to diversity. Proposals by the Supervisory Board to the Annual General Meeting should take these goals into account and at the same time aim to complete the competence profile for the entire body (Recommendation C.1 DCGK 2019). The Dr. Hönle AG is of the opinion that personal qualifications and individual abilities, but not, for example, gender or age or other aspects of diversity or the company's ownership structure, are decisive when making appointments to the Supervisory Board. The Dr. Hönle AG sees such a definition as an unreasonable restriction of the right of shareholders to elect the members of the Supervisory Board. The Supervisory Board has therefore not formulated any specific goals or competence profiles within the meaning of the DCGK for its composition. The Dr. Hönle AG will therefore not publish the objectives of the composition of the Supervisory Board or the fulfillment of the competence profile and the status of implementation in the declaration on corporate governance. The same applies to the number of independent members and their naming. Furthermore, in accordance with recommendation C.2 DCGK 2019, an age limit is to be set for members of the supervisory board and specified in the corporate governance declaration. The Supervisory Board of Dr. Hönle AG has not set any fixed age or other membership limits for its members. The Dr. Hönle AG sees such a definition as an unreasonable restriction of the shareholders' right to elect the members of the Supervisory Board. In addition, if one or more of the indicators mentioned in Recommendation C.7 DCGK 2019 are met and the relevant Supervisory Board member is nevertheless viewed as independent, this should be justified in the declaration on corporate governance. Prof. Dr. Hönle has been a member of the Dr. Hönle AG. Due to his many years of expertise in the company's business area, Prof. Dr. Hönle is excellently suited to supervising the management. Limiting the Supervisory Board mandate to 12 years would be disadvantageous for the company. From the company's point of view, it is therefore to be regarded as independent. According to Recommendation D.13 DCGK 2019, the Supervisory Board should regularly assess how effectively the Supervisory Board as a whole and its committees fulfill their tasks. The Supervisory Board regularly evaluates the efficiency of its activities in its meetings. This happens every two years. The self-assessment is standardized and essentially comprises the areas of preparation, course, duration, frequency and documentation of the meeting as well as the

content of the meetings and cooperation with the board of directors and auditors. The last self-assessment took place in the reporting year, which confirmed the efficiency of the work of the Supervisory Board.

4.3 Committees of the Supervisory Board

The Supervisory Board of Dr. Hönle AG currently consists of three members. It is planned to appoint the Supervisory Board of Dr. Hönle AG to expand by one member, so that the Supervisory Board then consists of four members. Due to the size of the Supervisory Board to date, no committees will be formed. The formation of committees is also not planned in the future.

5. Target values for the proportion of women in the two management levels below the Executive Board; Target values for the proportion of women on the supervisory board and management board

The Board of Management sets targets for the proportion of women in the two management levels below the Board of Management. The board of directors of Dr. Hönle AG in accordance with the provisions of the law on equal participation of women and men in management positions in the private and public sectors of April 24, 2015. The Executive Board set a target for the proportion of women in the first management level to be achieved by June 30, 2022 below the board of directors of at least 25%. This corresponds to the current proportion of women at this level. The Executive Board has also set a target to be achieved for the proportion of women in the second management level below the Executive Board of at least 0%. It is therefore not necessary to define a deadline for implementation. The Management Board is of the opinion that when filling management positions, personal qualifications and individual skills, but not gender, are decisive. The Supervisory Board sets targets for the proportion of women on the Management Board. This was done by the supervisory board of Dr. Hönle AG in accordance with the requirements of the law on the equal participation of women and men in management positions in the private and public sectors of April 24, 2015. The Supervisory Board set a target to be achieved for the proportion of women on the Management Board of Dr. Hönle AG of at least 0%. There is therefore no need to define a deadline for implementation. The two board members of Dr. Hönle AG, Mr. Haimerl and Mr. Runge, have been successfully managing the group for many years. On January 1, 2021, there

was another member of the Board of Management with responsibility for development and production. Therefore, no minimum target should be set for the proportion of women on the Executive Board greater than 0%. In the future, the Supervisory Board will generally continue to base the selection of Executive Board members on the qualifications and individual skills of the candidate. In the opinion of the Supervisory Board, gender or age are not decisive when making appointments to the Board of Management, the only decisive factor is to find the most suitable person for the position to be filled. There are currently no plans to increase the existing target for the proportion of women on the Management Board by at least 0%. The Supervisory Board sets a target for the proportion of women on the Supervisory Board. In accordance with the requirements of the law on the equal participation of women and men in management positions in the private and public sectors of April 24, 2015, it set a target. The Supervisory Board of Dr. Hönle AG has set a target to be achieved for the proportion of women on the Supervisory Board of at least 0%. A deadline for reaching the target does not have to be defined. At the ordinary general meeting on May 26, 2020, the Supervisory Board of Dr. Hönle AG newly elected. The incumbent Supervisory Board members were re-elected. The supervisory board is to be expanded by a further member to four members and a corresponding proposal for a resolution at the ordinary general meeting of Dr. Hönle AG will be put to the vote on March 23, 2021. The supervisory board should propose a candidate as an additional member so that the proportion of women on the supervisory board - assuming the proposed candidate is elected - will in future be 25%. The Supervisory Board will then redefine the target for the proportion of women on the Supervisory Board and the target achievement period after the Annual General Meeting.

6. Information on compliance with the minimum proportion of women and men on the Supervisory Board

A fixed gender quota of at least 30 percent women and men for supervisory boards is required at Dr. Hönle AG is not required as the company is neither subject to the Codetermination Act nor is it a result of a cross-border merger.

7. Description of the diversity concept or explanations on the lack of a diversity concept

The Dr. Höhle AG does not pursue a detailed diversity concept for the Supervisory Board or the Management Board. Rigid criteria, quotas or competence profiles that limit flexibility in personnel decisions and the number of possible candidates are what Dr. Höhle AG does not make sense, but focuses on the personal qualifications and individual skills of a candidate. When electing the members of the Management Board and the Supervisory Board, Dr. Höhle AG includes age, gender, cultural origin, educational and professional background and strives for a diverse mix.

Disclosures on Corporate Governance Practices

Corporate Body

The Corporate Body includes the Board of Management, the Supervisory Board, and the Annual General Meeting.

The respective competencies are governed by the German Stock Corporation Act (AktG), the company's Articles of Incorporation, and the Rules of Internal Procedure for the Management Board and Supervisory Board.

Responsibilities of the Management Board

The Management Board manages the company on its own authority in accordance with applicable laws, the company's Articles of Incorporation, and the Board's Rules of Internal Procedure, and by taking the resolutions of the General Annual Meeting into account. The Management Board represents the company vis-a-vis third parties. The company is managed via regular strategic discussions at Management Board level and by including the managers of the business segments. The Management Board is informed about the development of significant key indicators of Dr. Höhle AG and its subsidiaries on a monthly basis. Further information on corporate governance can be found in this management report under the heading "Management System." The Management Board is required to take suitable measures to identify developments that could threaten the company's continued existence as a going concern at an early stage. This includes establishing a monitoring system, in particular. This system is continuously being enhanced and adjusted to changes in general circumstances. The risk report includes further information on risk management.

Responsibilities of the Supervisory Board

The Supervisory Board monitors and advises the Management Board with respect to the management of the company's business activities. To this end, the Supervisory Board is promptly and properly involved in all decisions of fundamental importance to the company. The Management Board regularly and promptly informs the Supervisory Board in detail on the course of business, results of operations, financial position, the employment situation, and on the company's planning and intended projects. The Management Board regularly provides written reports to the Supervisory Board with a view to preparing for Board meetings. Following careful examinations and consultations, the Supervisory Board passes resolutions, as required. Further details on the activities of the Supervisory Board are presented in the report of the Supervisory Board. A recommendation is made in the German Corporate Governance Code that qualified committees be formed, which are to comprise at least three members. Since Dr. Höhle AG's Supervisory Board also consists of three members, no committees are being formed at present.

Annual General Meeting

Shareholders exercise their rights at the Annual General Meeting and decide on fundamental issues that concern Dr. Höhle AG by exercising their voting rights. Each share of stock carries one voting right. All important documents that are required for decision-making are also made accessible to the shareholders on Dr. Höhle AG's website in good time before the Annual General Meeting.

(► <https://www.hoenle.de/de/investoren/hauptversammlung>)

The shareholders may have their voting rights exercised by proxy of their choice or by a voting representative appointed by Dr. Höhle AG, who acts upon instruction of the shareholder.

Following the Annual General Meeting, the attendance and voting results are published on the company's website.

Management Board

Norbert Haimerl

MBA (58)

Responsible for Finances and Human Resources
Norbert Haimerl completed his business management studies at the Regensburg University for Applied Science with a diploma in business management. [Dipl.-Betriebswirt (FH)]. He commenced his career in 1990 as assistant to the management of a medium-sized company.

During the years from 1992 to 1996, he worked for a subsidiary of a German printing machine manufacturer as a management assistant. In 1996 he changed jobs to take up a position as commercial manager with Dr. Hönle AG, and was appointed to the Management Board with effect from 1 January 2000.

Heiko Runge

Graduate Engineer (56)

Responsible for Sales and Technology

Heiko Runge completed his physical technology studies at the Wedel University for Applied Science with a diploma in engineering [Dipl. Ingenieur (FH)]. He began his career in 1990 as product manager for marketing at Eltosch Torsten Schmidt GmbH. Three years later, he changed jobs to work for Dr. Hönle AG. Here, his first position was as marketing manager, and he was appointed to the Management Board with effect from 1 January 2000.

Supervisory Board

Prof. Dr. Karl Hönle

Physicist

Supervisory Board Chairman

Prof. Dr. Karl Hönle is an emeritus professor at the Munich University of Applied Science. There, he held the Chair in technical optics and laser technology and was an authorised representative for the transfer of technology and for the trade fair participation of Bavarian applied sciences universities. He was also engaged in local government politics in Dachau for twenty years. As member of the Panel, he headed the Lab for Lighting Technology [Labor für Lichttechnik (GbR)] and is a member of the Technical Standards Committee for Lighting Technology at the German Institute for Standardization (DIN). In

addition, Prof. Hönle is managing director of Dr. Hönle Medizintechnik GmbH.

Günther Henrich

Lawyer

Vice Chairman of the Supervisory Board

Following his activities for the Bavarian Ministry of Economics and LfA Förderbank Bayern, Mr Günther Henrich acted as managing director at BayBG Bayerische Beteiligungsgesellschaft mbH and its predecessor companies from 1987 through 2012. Mr Henrich has played a leading role in building up BayBG to become the present market leader for SME investment capital in Bavaria. As a result, Mr Henrich has an extensive network in the Bavarian industry. He was member of the supervisory and advisory boards of numerous small- and medium-sized companies. In addition, Mr Henrich headed an expert group and was member of the Board of Directors of the German Private Equity and Venture Capital Association [BVK Bundesverband deutscher Kapitalbeteiligungsgesellschaften].

Dr. Bernhard Gimple

Lawyer

Supervisory Board

Dr. Bernhard Gimple has been working as a lawyer in Munich since 2001. After completing his law studies and receiving his PhD at Ludwig-Maximilian-University in Munich, he initially worked for several large-scale supra-regional business law firms before founding the law firm, SOLEOS, together with another colleague in 2011. Since November 2005 the trained banker has also been acting as Pfandbrief trustee at Stadtsparkasse Munich.