

DECLARATION OF CONFORMITY ACC. § 161 AKTG
JOINT DECLARATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD
OF ALTECH ADVANCED MATERIALS AG, HEIDELBERG,
ON THE RECOMMENDATIONS OF THE GOVERNMENT COMMISSION
GERMAN CORPORATE GOVERNANCE CODE
(AS AMENDED ON 7 FEBRUARY 2017)

PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG), THE MANAGEMENT BOARD AND SUPERVISORY BOARD OF A LISTED STOCK CORPORATION MUST DECLARE EACH YEAR THAT THE RECOMMENDATIONS OF THE "GOVERNMENT COMMISSION ON THE GERMAN CORPORATE GOVERNANCE CODE" PUBLISHED BY THE FEDERAL MINISTRY OF JUSTICE IN THE OFFICIAL SECTION OF THE ELECTRONIC FEDERAL GAZETTE HAVE BEEN AND ARE BEING COMPLIED WITH OR WHICH RECOMMENDATIONS HAVE NOT BEEN OR ARE NOT BEING APPLIED. THE DECLARATION MUST BE MADE PERMANENTLY AVAILABLE TO THE SHAREHOLDERS. THE GERMAN CORPORATE GOVERNANCE CODE ("CODE") CONTAINS, IN ADDITION TO OUTLINING THE APPLICABLE STOCK CORPORATION LAW, RECOMMENDATIONS FROM WHICH COMPANIES MAY DEVIATE; HOWEVER, THEY ARE THEN OBLIGED TO DISCLOSE AND JUSTIFY ANY DEVIATIONS ANNUALLY.

THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD OF ALTECH ADVANCED MATERIALS AG, FORMERLY YOUNBISHENG GREEN PAPER AG, HAD LAST DECLARED BY RESOLUTION OF 26 MARCH 2019 THAT THEY WOULD NO LONGER APPLY THE RECOMMENDATIONS OF THE GOVERNMENT COMMISSION ON THE GERMAN CORPORATE GOVERNANCE CODE. THE MANAGEMENT BOARD AND SUPERVISORY BOARD CONTINUE TO HOLD THIS VIEW. IN A RESOLUTION DATED FEBRUARY 21, 2020, THE MANAGEMENT BOARD AND SUPERVISORY BOARD ONCE AGAIN DECLARED THAT THEY WILL NOT COMPLY WITH THE RECOMMENDATIONS OF THE GOVERNMENT COMMISSION ON THE GERMAN CORPORATE GOVERNANCE CODE, INCLUDING THE NEW VERSION OF THE CODE, WHICH IS EXPECTED TO COME INTO FORCE SHORTLY, AS SUBMITTED BY THE COMMISSION TO THE FEDERAL MINISTRY OF JUSTICE AND CONSUMER PROTECTION ON JANUARY 23, 2020. THE COMPANY IS OF THE OPINION THAT THE RECOMMENDATIONS OF THE GOVERNMENT COMMISSION ON THE GERMAN CORPORATE GOVERNANCE CODE HAVE BEEN DRAFTED FOR LARGE PUBLIC COMPANIES, BUT ARE INAPPROPRIATE FOR COMPANIES OF THE SIZE OF ALTECH ADVANCED MATERIALS AG. THEREFORE, THE RECOMMENDATIONS OF THE GOVERNMENT COMMISSION ON THE GERMAN CORPORATE GOVERNANCE CODE WILL NOT BE COMPLIED WITH IN THE FUTURE EITHER. THE SIZE AND ECONOMIC SIGNIFICANCE OF THE COMPANY DO NOT REQUIRE ORIENTATION TO THE RECOMMENDATIONS OF THE GOVERNMENT COMMISSION ON THE GERMAN CORPORATE GOVERNANCE CODE, WHICH ARE ESSENTIALLY DESIGNED FOR LARGE LISTED COMPANIES. OTHERWISE, PROPER CORPORATE MANAGEMENT IS POSSIBLE BY OBSERVING THE STATUTORY PROVISIONS.

HEIDELBERG, FEBRUARY 2020

THE BOARD OF DIRECTORS:

IGNATIUS TAN

UWE AHRENS

HANSJÖRG PLAGGEMARS

FOR THE SUPERVISORY BOARD: DR. BURKHARD SCHÄFER