

Corporate Governance Report

The following is the Management Board's and Supervisory Board's Declaration of Conformity in accordance with Section 289f of the German Commercial Code (Handelsgesetzbuch, HGB) and the rules of the German Corporate Governance Code. The management of NORMA Group is dedicated to achieving sustained economic success while complying with the Company's social responsibility. Transparency, responsibility and sustainability are the principles that determine its actions.

Declaration of Conformity with the German Corporate Governance Code (GCGC)

The Supervisory Board and Management Board of NORMA Group SE have thoroughly examined which of the German Corporate Governance Code's recommendations and suggestions NORMA Group SE should follow and explains deviations from the recommendations and the reasons for deviating from the Code. The current Declaration dated December 20, 2019, as well as all the other Declarations are published on NORMA Group's website. WWW.NORMAGROUP.COM/CORP/EN/INVESTORS/

The Declaration dated December 20, 2019, is presented below:

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 German Federal Ministry of Justice in the official section of the German 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 GCGC).

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 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 GCGC).

The Supervisory Board may grant in its sole discretion a special bonus for extraordinary achievements that 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. To this day, the Supervisory Board has never granted such a special bonus before.

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 GCGC.

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 GCGC 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; so, 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 Program 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.

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 GCGC).

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. 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. Membership in the Supervisory Board should mainly depend on abilities and actual capacities.

Publication of information in accordance with the Section 289f of the German Commercial Code

The Remuneration Report for the last fiscal year, the auditor's report, the applicable remuneration system and the last remuneration resolution are publicly available on the website WWW.NORMAGROUP.COM/CORP/EN/INVESTORS/ONLINE-ANNUAL-REPORT/

In addition, the rules of procedure of the Management Board and Supervisory Board are available on the website WWW.NORMAGROUP.COM/CORP/EN/INVESTORS/

Allocation of competences between the Management and the Supervisory Board

NORMA Group SE uses a similar type of dual management system that German stock corporations use. Here, the Supervisory and Management Boards are separate bodies that have different functions and powers. The Management Board manages the Company under its own responsibility. The Supervisory Board appoints, advises, monitors and dismisses members of the Management Board.

The Management Board provides the Supervisory Board with regular updates about its business policies, how the business is developing, the position of the Company and any transactions that could have a significant impact on profitability or liquidity. The Management Board reports the key figures of the Group and the current course of business to the Supervisory Board on a monthly basis, in particular with regard to the published guidance on the expected development of the Company. Based on the written documents that were submitted to the Supervisory Board in advance, the members of the Management Board report in great detail on business developments and provide an outlook on the expected future development of NORMA Group at the

Supervisory Board meetings. Other recurring topics at all meetings include the monthly and quarterly figures, risk analysis and measures aimed at minimizing any risks that had been detected, reports by the respective Committee Chairmen on the previous meetings held and strategic projects. All Management Board members participate in the Supervisory Board meetings. The Supervisory Board convenes separately before or after meeting with the Management Board.

The Chairman of the Supervisory Board and the Chairman of the Management Board coordinate the collaboration of the two Boards. They also remain in regular contact between Supervisory Board meetings and discuss current corporate governance issues. The Chairman of the Audit Committee and the CFO also confer on these matters.

In accordance with the legal requirements, the bylaws of the Management Board and NORMA Group's Articles of Association, the Supervisory Board must approve certain important transactions before they can be executed by the Management Board and the Company's employees. This applies not only to measures at NORMA Group SE, but also to measures at its subsidiaries. In order to ensure that the Management Board is promptly informed of corresponding matters involving subsidiaries so that it can request the approval of the Supervisory Board, a hierarchical system of approval requirements organized by functional areas, levels of responsibility and countries applies worldwide at NORMA Group.

Management Board and regional management

The Management Board of NORMA Group SE is comprised of two members: Dr. Michael Schneider (Chairman of the Management Board and until further notice Chief Financial Officer) and Dr. Friedrich Klein (Chief Operating Officer).

Responsibilities of the Management Board

T005

Dr. Michael Schneider, Chairman (CEO, until further notice also CFO)

Legal and M&A
Risk Management
Compliance & Internal Auditing
Corporate Responsibility
Personnel
Group Development
Group Communications
Sales
Price Development
Product Management
Marketing
Regional Organization
Finance & Reporting
Controlling
Insurances
Treasury
Investor Relations

Dr. Friedrich Klein, Member of the Management Board (COO)

Production
Purchasing
Supply Chain Management
Global Excellence
Information & Communication Technology (ICT)
Quality Assurance
ESG (Environment, Social, Governance)
EHS (Environment, Health and Safety)
Research and Development
Product Development
Product Management
Product Design
Technology Development
Project Management

Bernd Kleinhens was responsible for Human Resources, Group Development, Group Communications, Business Development, including Sales, Marketing, Research and Development, Product Development, Price Development and Product Management before he left the Company on July 31, 2019.

In general, Management Board resolutions are passed by simple majority. The Chairman has the deciding vote if the vote is tied. However, the members of the Management Board are obliged to make an effort to reach unanimous decisions. If a member of the Management Board cannot participate in a vote, his vote will be obtained at a later date. The entire Management Board is responsible for matters of particular importance. In accordance with the Management Board bylaws, these include the following matters: producing the Management Board reports for the purpose of informing the Supervisory Board and the quarterly and half-yearly reports, fundamental organizational measures, including the acquisition or disposal of significant parts of companies and strategic and business planning issues, measures related to the implementation and supervision of a monitoring system pursuant to Section 91 (2) of the German law on stock corporations, issuing the Declaration of Conformity pursuant to Section 161 (1) of the German law on stock corporations, preparing the Consolidated and Annual Financial Statements and similar reports, convening the Annual General Meeting and inquiries and recommendations by the Management Board that will be handled and resolved by the Annual General Meeting. In addition, every Management Board member may request that a specific issue be dealt with by the entire Management Board. The Management Board did not form any committees. Board meetings are usually held at least once a month.

Every Board member is obliged to inform the Supervisory Board immediately, but also the other members of the Management Board, of any conflicts of interest. No such conflicts of interest arose for a Board member in 2019.

The Supervisory Board must approve any transactions between NORMA Group companies on the one hand and a member of the Management Board, related parties or businesses on the other hand. No such transactions took place in 2019.

The Supervisory Board must also approve any secondary activities by a member of the Management Board. It had already agreed that CEO Dr. Schneider may continue to be a member of the Supervisory Boards of two German companies. Dr. Klein does not perform any secondary activities that are subject to approval.

The rules of procedure of the Supervisory Board provide that the term of office of a member of the Management Board should not be extended beyond his or her 65th birthday. Both members of the Management Board are under 65 years of age and will not reach 65 years of age during the term of their contracts.

The Supervisory Board has not yet decided on any long-term succession planning for the Management Board.

Local Presidents in the three regions EMEA, Americas and APAC are responsible for carrying out business on a daily basis. These three Presidents report directly to the Chairman of the Management Board. The entire Management Board of NORMA Group SE meets at least once a year with the Presidents and their managers at the local headquarters – Singapore for the Asia-Pacific region, Auburn Hills, Michigan, for the Americas, and Maintal for the EMEA region. In addition, individual members of the Management Board meet regularly with the local teams. The managers at NORMA Group work in a matrix structure in which they have both a disciplinary as well as a technical supervisor.

In order to improve cross-regional cooperation, Product Management, Product Design, Technology Development and Project Management were created as new global functions in 2019. In this complementary structure, employees from

engineering teams and project management primarily work together on a cross-regional basis.

Supervisory Board: members, election and independence

The Supervisory Board of NORMA Group SE is comprised of the following six members:

- Lars M. Berg (Chairman of the Supervisory Board)
- Erika Schulte (Vice Chairwoman of the Supervisory Board)
- Günter Hauptmann
- Rita Forst
- Dr. Knut J. Michelberger
- Mark Wilhelms

They are all representatives of the shareholders. NORMA Group SE is not a codetermined Company; therefore, employee representatives are not represented on its Supervisory Board.

The members of the Supervisory Board are elected by the Annual General Meeting. As the Supervisory Board had only five members after the 2018 Annual General Meeting, Mark Wilhelms was appointed by the court to serve as the sixth member in August 2018. Mark Wilhelms was then elected to the Supervisory Board at the 2019 Annual General Meeting. His term of office ends at the Annual General Meeting that resolves on the discharge of the Supervisory Board for fiscal year 2023, but for no longer than six years. The appointment of the other current Supervisory Board members took place upon their election at the Annual General Meeting on May 17, 2018, and ends with the conclusion of the Annual General Meeting that resolves on the discharge of the Supervisory Board for fiscal year 2022, but for no longer than six years.

All members of the Supervisory Board are independent as defined in Section C7/No. 5.4.2 of the GCGC. No member of the Supervisory Board or close family member was previously a member of the Management Board of NORMA Group SE or a member of the

management of one of its predecessor companies, or had a material business relationship with NORMA Group SE or any of its dependent companies, either directly or indirectly as a shareholder or in a responsible capacity of a company outside the Group, or is a close family member of a member of the Management Board in the year preceding his or her appointment. Three of the six members, Lars Berg, Günter Hauptmann and Dr. Knut Michelberger, have been members of the Supervisory Board of NORMA Group SE (or, prior to the conversion of NORMA Group AG into NORMA Group SE in 2013, the Supervisory Board of NORMA Group AG) since 2011, Erika Schulte has been a member of the Supervisory Board since 2012, while Rita Forst and Mark Wilhelms have been members of the Supervisory Board since 2018, so that all members have been on the Supervisory Board for less than twelve years.

There are no contracts for consulting or other services or work between NORMA Group companies and a member of the Supervisory Board.

The rules of procedure of the Supervisory Board stipulate that the term of office of a Supervisory Board member should not extend beyond his or her 70th birthday. Lars Berg and Dr. Knut Michelberger have already exceeded this age limit.

All members of the Supervisory Board are obligated to report any conflicts of interest. Significant and not merely temporary conflicts of interest for members of the Supervisory Board should lead to the termination of the mandate. No such conflicts of interest arose in 2019.

The Chairman of the Supervisory Board represents the Supervisory Board externally. He organizes the work of the Supervisory Board and chairs its meetings. The Supervisory Board can pass resolutions by simple majority, whereby the Chairman has the deciding vote if a vote is tied.

The Supervisory Board evaluates its work annually as part of an efficiency review, most recently in the spring of 2019. This was carried out on the basis of a questionnaire and without the involvement of other external consultants.

In fiscal year 2019, four ordinary meetings were held with the Management Board and there was one closed meeting of the Supervisory Board. All members of the Supervisory Board attended these meetings. In addition, six telephone conferences were held. Many of these conference calls had to be arranged at very short notice due to the urgency of the decisions, so that not all members of the Supervisory Board were able to participate. Dr. Knut Michelberger and Mark Wilhelms were therefore excused on two calls each, Lars Berg, Rita Forst and Erika Schulte on one conference call each. Where they were unable to participate directly in telephone conferences, they subsequently approved the resolutions adopted or were represented in the resolution. Günter Hauptmann participated in all six conference calls.

The Supervisory Board has three committees: the Audit Committee, the General and Nomination Committee and the Strategy Committee, which was newly established in May 2019.

The Audit Committee deals in particular with monitoring the accounting process and the effectiveness of the internal control and risk management systems as well as the audit of the Annual Financial Statements, in particular through the independence of the auditor, the additional services rendered by the auditor, engaging the auditor, determining areas of audit emphasis and agreeing to the auditor's fees. The Audit Committee accompanies the collaboration between NORMA Group SE and the auditors and ensures that opportunities for improvement identified during the audit are promptly implemented. It is responsible for preparing the accounting documents and adopting the Supervisory Board's resolution on the consolidated and separate financial statements. Moreover, it is responsible for compliance and reviews the compliance with statutory provisions and the internal guidelines.

Dr. Knut Michelberger is the Chairman of the Audit Committee. Its other members are Erika Schulte and, up until the 2019 Annual General Meeting, Rita Forst, and Mark Wilhelms since May 22, 2019. Mark Wilhelms and Dr. Knut Michelberger are independent financial experts within the meaning of Section 100 para. 5 of the German Stock Corporation Act (AktG). Due in particular to their many years of experience as a Chief Financial Officer and Managing Director, they have special knowledge and experience in the application of accounting principles and internal control procedures.

Three meetings of the Audit Committee and four telephone conferences were held in fiscal year 2019. All Audit Committee members took part in the meetings and telephone conferences.

The General and Nomination Committee prepares personnel-related decisions for the Supervisory Board with regard to the composition of the Management Board and the Supervisory Board. This committee has the following specific responsibilities: preparing Supervisory Board resolutions regarding the formation, amendment and termination of employment contracts with members of the Management Board in accordance with the remuneration system approved by the Supervisory Board, preparing Supervisory Board resolutions regarding legal applications to reduce the remuneration of a Management Board member pursuant to Section 87 (2) AktG, preparing Supervisory Board resolutions regarding the structure of the remuneration system for the Management Board, acting as representatives of the Company to Management Board members who have left the Company pursuant to Section 112 AktG, approving secondary employment and external activities for Management Board members pursuant to Section 88 AktG, granting loans to the persons specified in Section 89 AktG (loans to members of the Management Board) and Section 115 AktG (loans to members of the Supervisory Board), approving contracts with members of the Supervisory Board pursuant to Section 114 AktG and proposing suitable candidates to the Annual General Meeting when there is a vote on Supervisory Board members.

The General and Nomination Committee is comprised of the Chairman of the Supervisory Board, Lars Berg (Chairman of the General and Nomination Committee), Günter Hauptmann and Dr. Knut Michelberger. The committee held four meetings and seven telephone conferences in 2019 that all members participated in.

The Supervisory Board established a Strategy Committee with effect from May 22, 2019. The Strategy Committee advises the Management Board on NORMA Group SE's strategy, restructuring, organic growth, mergers and divestitures and new technologies.

Günter Hauptmann (Chairman), Rita Forst and Erika Schulte are the members of the Strategy Committee. This committee held two meetings in 2019, both of which were attended by all members.

D&O insurance

The company has also taken out D&O insurance for the members of the Supervisory Board and the Management Board. The deductible amounts to 10% of the loss up to an amount of 150% of the fixed annual remuneration of the member of the Management Board or Supervisory Board.

Other mandates of the Supervisory Board members

Exercised professions and other mandates on Supervisory Boards or comparable Supervisory Bodies of the members of NORMA Group's Supervisory Board in fiscal year 2019 are shown in → [TABLE 006](#).

Other mandates of the Supervisory Board members

T006

Supervisory Board member, exercised office	Other mandates on Supervisory Boards and comparable committees
Lars M. Berg (Chairman), Consultant	Chairman of the Supervisory Board of Greater Than AB, Stockholm, Sweden (listed on the stock exchange)
Erika Schulte, (Vice-Chairwoman), Managing Director of Hanau Wirtschaftsförderung GmbH	No seats on other boards or comparable committees
Rita Forst, Consultant	Member of the Supervisory Board (Non-Executive Director) of AerCap Holdings N.V., Dublin, Ireland (listed on the stock exchange) – since April 2019
	Member of the Advisory Board of Joh. Winklhofer Beteiligungs GmbH & Co. KG, Munich, Germany (not listed on the stock exchange)
	Member of the Supervisory Board of ElingKlinger AG, Dettingen an der Erms, Germany (listed on the stock exchange)
	Member of the Advisory Board of Westport Fuel Systems Inc., Vancouver, Canada (listed on the stock exchange)
	Member of the Advisory Board of Metalsa, S.A. de C.V., Monterrey, Mexico (not listed on the stock exchange) – until May 2019
Günter Hauptmann, Consultant	Member of the Advisory Board of Moon TopCo GmbH, Poing, Germany (not listed on the stock exchange)
Dr. Knut J. Michelberger, Consultant	Member of the Supervisory Board of Weener Plastics Group, Ede, The Netherlands (not listed on the stock exchange)
	Member of the Advisory Board (Deputy Chairman) of Racing TopCo GmbH, Troisdorf, Germany (not listed on the stock exchange)
	Member of the Advisory Board of Kaffee Partner Holding GmbH, Osnabrück, Germany (not listed on the stock exchange)
	Member of the Advisory Board of Tegimus Holding GmbH, Frankfurt, Germany (not listed on the stock exchange)
	Member of the Advisory Board of Moon TopCo GmbH, Poing, Germany (not listed on the stock exchange)
Mark Wilhelms, Chief Financial Officer at Stabilus S.A.	No seats on other boards or comparable committees

Targets for the share of women

As early as 2015, the Supervisory Board of NORMA Group SE had set targets for the Supervisory Board and Management Board of NORMA Group SE and the Management Board for the management level of NORMA Group SE below the Management Board as well as a time limit for implementing them. These targets were adjusted as follows in 2017:

The target figure for the share of women on the Supervisory Board is two female members (out of a total of six). For the Management Board, the target is zero. For the top management level of NORMA Group SE, the target figure is a 25% share of women. The aforementioned new targets are expected to apply until June 30, 2022. They were all achieved or exceeded in fiscal year 2019.

The Management Board is currently comprised solely of men. The target figure for the share of women on the Management Board was set at zero in 2017 because the Supervisory Board assumed at the time that no new members would be appointed to the Management Board before 2022 and it would therefore be impossible to appoint a woman. The Board did not want to set a target figure that, from the perspective of that time, could not have been met. According to the rules of procedure of the Supervisory Board, the Supervisory Board is to pay attention to diversity in the composition of the Management Board. In the context of the current search for a new member of the Management Board, the Supervisory Board is ensuring that female candidates are also explicitly included in the selection process. The outcome of this search is still open.

At NORMA Group SE, the first management level comprises all persons who are Executive Vice Presidents or Vice Presidents, report directly to the Management Board, assume management responsibilities and bear personnel responsibility. Although the share of women in the first management level was 50% when the resolution was passed in 2017 (as in 2015), the Management Board had set the target figure for the share of women in the first

management level at at least 25%. This neither meant a reduction in the share of women nor ruled out the possibility that the share of women would rise to over 50%. In fact, the share of women rose from 50% to 60%. Among the total of five persons (previously four) who now form the first management level below the Management Board, there are now three women. The target figure of 25% was thus exceeded. NORMA Group SE does not have a second management level for which the Management Board would also have had to set targets.

At NORMA Group, targets for the Management Board, the Supervisory Board and the top two levels of management were also set for another company, NORMA Germany GmbH. This company is not listed, but codetermined, and is headed by a Managing Director.

Competence profile, no separate diversity concept

The objectives for the composition of the Supervisory Board include that all members be independent, no member works for a competitor of NORMA Group, no member who is on the Management Board of a listed company has more than two Supervisory Board mandates in listed companies, no member of the Supervisory Board has significant conflicts of interest and each member complies with a statutory limit of 15 years for the term of office. These goals have all been met. In addition, the Supervisory Board should pay attention to international activities and diversity in proposals for the election of new members. The Supervisory Board has one Swedish member while the other members are German citizens. The current members satisfy the competence profile for the Supervisory Board as a whole. Some members have special knowledge of the industry and NORMA Group's markets, in particular the automotive industry, and NORMA Group's business model. Several members have experience as executives or members of Supervisory Boards as well as international experience. At least one member has expertise in accounting, auditing and controlling. Other areas in which members of the Supervisory Board have special knowledge

include risk management, internal control systems and compliance, capital market experience and knowledge of IT systems, including ERP systems. The members of the Supervisory Board also have sufficient time to perform their duties.

No separate diversity concept within the meaning of Section 289f (2) No. 6 HGB has been prepared for the Supervisory and Management Boards of NORMA Group SE. The rules of procedure of the Supervisory Board already stipulate that certain aspects, which the law cites as an example of a concept of diversity, should be taken into consideration in the case of nominations for the elections to the Supervisory Board and the appointment of Management Board members. Diversity should be taken into account in the composition of the Management Board as well as in election proposals for the election of Supervisory Board members. Further requirements for the Supervisory Board already arise from the goals and rules of the procedure described above. The Management Board also has an age limit of 65, which is met by all members.

Shareholders and Annual General Meeting

The shareholders of a Societas Europaea decide on the Company's important and fundamental matters. The shareholders exercise their voting rights at the Annual General Meeting, which takes place at least once every year. The Annual General Meeting decides on how earnings will be distributed, the discharge of the Management Board and the Supervisory Board, the election of the auditor, but also on amendments to the Articles of Association and other topics.

Shareholders are entitled to vote if they are registered in the shareholders' register of NORMA Group SE and provide NORMA Group SE or another location specified in the invitation with written notice, in German or English, at least six days before the Annual General Meeting that they will be attending. Each share entitles the bearer to one vote.

NORMA Group SE publishes the invitation and all documents that must be made available at the Annual General Meeting promptly on its website. Information regarding the number of attendees and the voting results are published there following the Annual General Meeting. WWW.NORMAGROUP.COM/CORP/EN/INVESTORS/AGM/

Shareholdings of the Management and Supervisory Board

Of the total of 31,862,400 shares in NORMA Group SE, the current members of the Management Board held together 0.03% of the shares on December 31, 2019. The current members of the Supervisory Board held no shares.

Directors' Dealings

Members of the Management Board and the Supervisory Board and related parties are obliged to disclose Directors' Dealings in NORMA Group SE shares if the value of these transactions reaches or exceeds EUR 5,000 or EUR 20,000 from January 1, 2020, on.

The following transactions were reported as Directors' Dealings in 2019:

Directors' Dealings

T007

Buyer / Seller	Type of financial instrument	Type of transaction	Date of transaction	Place of transaction	Average price per share	Volume	Total value
Bernd Kleinhens, CEO ¹	Share (DE000A1H8BV3)	Purchase	May 13, 2019	Tradegate Exchange	EUR 38.54	1,300 shares	EUR 50,102.00
Dr. Michael Schneider, CEO ²	Share (DE000A1H8BV3)	Purchase	May 14, 2019	Tradegate Exchange	EUR 38.3072	2,650 shares	EUR 101,514.08
Dr. Friedrich Klein, COO	Share (DE000A1H8BV3)	Purchase	June 11, 2019	Stuttgart Stock Exchange – Sparkasse ALK	EUR 36.94	500 shares	EUR 18,470.00

1_CEO until the end of July 31, 2019.
2_CEO since November 2019, formerly CFO.

Stock option plans and equity-based incentive programs

The principles of management remuneration are described in the Remuneration Report which is part of the Management Report. [→ REMUNERATION REPORT, P. 102](#)

A Long-Term Incentive Program (LTI) was introduced in fiscal year 2013 for the second management level that allows employees to participate in NORMA Group's success over the medium term.

Compliance

NORMA Group's compliance organization seeks to prevent violations of laws and other rules, in particular through preventive measures. Nevertheless, if there is evidence of violations, these matters are investigated promptly and thoroughly and the necessary consequences are taken. Findings will be used to take steps to reduce the risk of future violations.

Group-wide compliance activities are managed by the Chief Compliance Officer of NORMA Group, who reports to the CEO. In addition to the Compliance Department in place at Group level, there are compliance officers at the regional and company levels. The three regional Compliance Officers for the EMEA, Americas and Asia-Pacific regions report to the Chief Compliance Officer. In addition, each operating Group company has its own local Compliance Officer, who reports to the respective Regional Compliance Officer. The Supervisory Board monitors compliance with the compliance rules vis-à-vis the Management Board.

The compliance organization conducts risk analyzes together with the relevant units, functions and departments in order to determine and monitor the risk profile of countries, Group companies and functions. On this basis, it identifies the need for action and initiates corresponding measures. Specific employee training courses are held regularly on selected risk areas and important current topics or developments. In 2019, for example, the Compliance Department coordinated a global data protection training course and conducted on-site training sessions at select locations

focusing on corruption prevention. Besides training on specific focus topics, all employees worldwide are trained on the basic compliance rules and important contents of the compliance guidelines (in personal or online training sessions), and participation in these training courses is monitored. In fiscal year 2019, the global training concept was also revised and the content of the online training courses updated. The updated training courses will be available to employees in the new fiscal year 2020. In addition, employees regularly receive relevant, up-to-date compliance information on a case-by-case basis via various information channels such as the intranet site, brochures, e-mails or notices.

The compliance guidelines of NORMA Group are an important means of communicating to employees the compliance understanding of NORMA Group and of demonstrating their ethical and legal obligations. All compliance documents are reviewed regularly and, if necessary, adapted to new legal or social requirements and thus always kept up to date. Such a comprehensive review and update of the guidelines was carried out in fiscal year 2019. Particular attention was paid to updating the content as well as to practice-oriented and easily understandable presentation of the contents. The updated guidelines will be made available to employees in the coming fiscal year. Suppliers have their own 'Supplier Code of Conduct.' It is intended to help ensure that laws and ethical rules are observed within the NORMA Group supply chain. This was also reviewed and updated in fiscal year 2019 and will be made available in fiscal year 2020. A compliance manual also defines in detail the specific areas of responsibility and regulatory areas, describes basic compliance processes, and provides a summary of key compliance issues related to the corresponding compliance guidelines. The compliance manual, as well as the compliance guidelines, are reviewed regularly for changes and updated, if necessary.

NORMA Group encourages its employees to report breaches of regulations and internal policies for all hierarchies. Besides directly approaching superiors, the personnel department or Compliance Officers, an Internet-based 'whistleblower system' is available for this purpose. With this whistleblower system, company-internal and external parties can report suspicious cases to the compliance organization of NORMA Group and, if necessary, preserve their anonymity. The electronic whistleblowing system currently in use was also subjected to a comprehensive conceptual review in fiscal year 2019. In the future, the system will be expanded to include supplementary functionalities that provide the compliance function with an integrated compliance tool. This will not only further improve the procedure of processing reports, but will also successively map additional compliance processes with system support. This is intended to increase the effectiveness and efficiency of the processes as well as the user-friendliness for employees.

The members of the compliance organization always follow up on references to compliance violations. If violations of compliance rules are discovered or weaknesses in the organization are identified, management takes the necessary action promptly in cooperation with the compliance organization. Depending on the individual case, these measures range from targeted additional training and changes in organizational processes to disciplinary means, including termination of employment.

Corporate Responsibility and ESG

As Corporate Responsibility and ESG issues become more important, the Supervisory Board, Management Board and employees are paying more attention than ever to the resulting aspects. For example, NORMA Group is focusing on water management and the transformation to more environmentally friendly drive systems. The strategy and specific goals of Corporate Responsibility are explained in particular in the separate non-financial Group Report. On the Management Board, Dr. Michael Schneider is responsible for Corporate Responsibility and Dr Friedrich Klein for ESG.

Information on the auditor and internal rotation

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt/Main, audited the financial statements of NORMA Group SE and its predecessor companies as well as the Consolidated Financial Statements for the fiscal years 2010 to 2019. Furthermore, PwC retroactively audited the years 2009 and 2010 for the prospectus as part of the IPO in 2011.

Following the internal rotation at PwC, Mr. Stefan Hartwig acted as the auditor signing on the left and Richard Gudd as the auditor signing on the right for fiscal year 2019. Mr. Hartwig held the position of the responsible auditor for the first time in 2019, Mr. Gudd already acted as the auditor signing on the right for fiscal years 2016 and 2017.