

- CONVENIENCE TRANSLATION -

**DECLARATION OF CONFORMITY**  
**with the German Corporate Governance Code**  
**pursuant to Sec. 161 of the German Stock Corporation Act**

The Executive Board and the Supervisory Board of Siltronic AG declare the following with regard to the recommendations of the „Commission German Corporate Governance Code“ (the „Code“):

**1. Future-related Declaration**

Siltronic AG will comply with the recommendations of the Code in the version of 5 May 2015, as published in the Federal Gazette on 12 June 2015, subject to the deviations set out and explained below:

**a) D&O Insurance Deductible for the Supervisory Board Members (Article 3.8 para. 3 of the Code)**

The Code recommends that if the company takes out a D&O insurance policy for the Supervisory Board, a deductible similar to the deductible for the Executive Board of at least 10% of the loss up to at least the amount of one and a half times the fixed annual compensation shall be agreed upon. The German law and the company's Articles of Association set clear limits for the Supervisory Board's capacity to exert influence on the business activities of a stock corporation. Pursuant to Section 76 para. 1 of the German Stock Corporation Act, the Executive Board is responsible for independently managing the company. The Supervisory Board determines the main principles of corporate strategy. However, beyond this contribution, the Supervisory Board has limited scope of influence on the implementation of the corporate strategy or on business operations. The same applies to measures to prevent or mitigate harm or damage to the company. Since the Supervisory Board members receive a relatively low fixed compensation when compared to the Executive Board members' compensation, which consists of fixed and variable components, we do not deem the agreement of a deductible for members of the Supervisory Board reasonable.

**b) Maximum Limits for the Compensation of Executive Board Members (Article 4.2.3 para. 2 sentence 6 of the Code)**

Pursuant to the Code, the overall compensation of Executive Board members shall be capped, both overall and for individual compensation components. The contracts of Executive Board members foresee maximum amounts for fixed and variable compensation components so that the recommendation is fulfilled with regard to the major part of the compensation. However, it is impossible to define

a maximum limit for the compensation component *pension benefits* due to the specifics of the existing pension plan. The pension plan contributions paid by the company for the Executive Board members are closely correlated with the development of interest rates. When interest rates are low, the company inevitably must provide higher contributions. Owing to the unpredictability of the interest rate development, it is impossible to define a maximum amount of pension plan contributions. Consequently, neither the amount of the overall compensation of Executive Board members can be capped.

**c) Announcement of Proposed Candidates for the Chair of the Supervisory Board to the Shareholders (Article 5.4.3 of the Code)**

According to this recommendation, proposed candidates for the Supervisory Board chair shall be announced to the shareholders, even though, as a rule, the Supervisory Board has not yet been appointed. Under German law, the Supervisory Board chair must be elected by and from among the Supervisory Board members. There is no legal requirement to announce the candidates for the chair from among a yet-to-be-appointed group of Supervisory Board members. Furthermore, this would result in a de facto predetermination, which is also not provided for under German law. For these reasons, we do not comply with this recommendation.

**2. Past-related Declaration**

Since the last declaration of conformity dated 11 December 2015, Siltronic AG has complied with the recommendations of the Code in the version of 5 May 2015 with the exceptions mentioned and explained above under section 1.

Munich, 30 November 2016

**Siltronic AG**

Executive Board

Supervisory Board