

## Declaration by the Management Board and the Supervisory Board of First Sensor AG with respect to the recommendations of the Government Commission German Corporate Governance Code pursuant to Article 161 Aktiengesetz (German Stock Corporation Act) – Update to the compliance statement of March 21, 2016

The Management Board and Supervisory Board of First Sensor AG update their Compliance Statement of March 21, 2016 due to changed corporate practices with regard to article 4.2.1 and 4.2.3 of the Code and declare that since the last declaration of compliance on March 25, 2015, the recommendations of the Government Commission of the German Corporate Governance Code – each with the following deviations – in the version dated June 24, 2014 (published in the Federal Gazette on September 30, 2014) were complied with and will be complied with in the version dated May 5, 2015 (published in the Federal Gazette on June 12, 2015):

- In line with Article 3.8 (3) of the Code, a deductible in accordance with the guidelines shall be agreed in any D&O policy for the Supervisory Board.

There is no deductible for members of the Supervisory Board because in the company's view, it is easier to recruit qualified members for the Supervisory Board if there is no deductible.

- According to Article 4.2.1 sentence 1 of the Code, the Board of Management should be comprised of several persons and have a Chairman or Spokesman.

Up to June 16, 2016, the Board of Management was comprised of two persons. The term of office of the previous Chairman, Dr. Martin U. Schefter, expired on June 16, 2016. Until a successor is appointed, the Board of Management will consist of only one person, with no Chairman or Spokesman.

- According to Article 4.2.3 paragraph 4 sentence 1 of the Code, care should be taken when concluding Board of Management contracts to ensure that payments made to a Board of Management member on premature termination of his/her contract without good cause, including fringe benefits, do not exceed the value of two years' compensation (severance pay cap) and compensate no more than the remaining term of the employment contract. According to Section 4.2.3 paragraph 4 sentence 4 of the Code, care must be taken when concluding Board of Management contracts to ensure that payments promised in the event of premature termination of Board of Management activity due to a change of control shall not exceed 150% of the severance payment cap.

The employment contract with the Board of Management member Dr. Gollwitzer dated June 17/18, 2015 was amended by way of an addendum dated June 30, 2016. A cap for payments in the event of premature termination of Board of Management activity due to a change of control is

no longer included in the employment contract with Dr. Gollwitzer as a result of the addendum for the compensation of stock options granted to Dr. Gollwitzer.

- In accordance with Article 5.1.2 (1) of the Code, the Supervisory Board together with the Management Board shall ensure there is long-term succession planning.

The company has no long-term succession planning. There has been no requirement for one to date. Long-term succession planning shall be drawn up for the future.

- In accordance with Articles 5.3.1, 5.3.2 and 5.3.3 of the Code, the Supervisory Board shall form relevant committees.

The Supervisory Board of First Sensor AG does not form committees. In the light of a Supervisory Board comprising just three members, the company sees no advantages in forming committees.

- In accordance with item 5.4.1 of the Code, the Supervisory Board is required to set an age limit and a regulatory limit on the duration of memberships.

A fixed age limit and a maximum term for members of the Supervisory Board currently do not seem appropriate. Decisions will be made on a case-by-case basis.

Berlin, July 8, 2016

First Sensor AG

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Vorstand

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