Declaration by the Executive Board and the Supervisory Board of First Sensor AG on the recommendations of the Government Commission German Corporate Governance Code pursuant to Article 161 Aktiengesetz (German Stock Corporation Act)

The Executive Board and Supervisory Board of First Sensor AG hereby declare in accordance with Section 161 of the German Stock Corporation Act (AktG) that, since the last declaration of compliance was issued on December 3, 2019, the company has complied with the recommendations of the German Corporate Governance Code (GCGC) in the version dated February 7, 2017 ("GCGC 2017") for the period until the GCGC 2020 comes into force on March 20, 2020 with the exception of the deviations set out in Section 1 below and, since its entry into force on March 20, 2020 has complied with the recommendations of the German Corporate Governance Code in the version as of December 16, 2019 ("GCGC 2020")and will continue to comply with the recommendations of the GCGC 2020 with the exception of the deviations set out in Section 2 below

1. In the period from the submission of the last declaration of compliance on December 3, 2019, until the GCGC 2020 came into force on March 20, 2020, the following recommendations of GCGC 2017 were not complied with:

- According to Section 3.8, para. 3, of the Code, a D&O insurance policy should contain pro-visions concerning a deductible for the Supervisory Board.

Members of the Supervisory Board are not required to pay a deductible because the company believes it is easier to recruit qualified members for the Supervisory Board without a deductible.

- According to Section 4.2.3, para. 2, of the Code, the amounts paid as variable components of Executive Board compensation should be capped, and subsequent amendments to the performance targets or parameters for comparison should be excluded.

One component of our Executive Board's variable compensation is the granting of stock options. The corresponding stock option plans, approved at the Annual General Meetings in 2016 and 2017, are primarily geared toward long-term, positive growth of the share price and require substantial personal investment on the part of our Executive Board members. The respective stock option plans do not impose any caps.

Another component of the Executive Board's variable compensation provided by the company is offered in the form of bonuses. Each bonus depends on the achievement of targets set by the Supervisory Board annually. Though there is no specific maximum amount for this variable Executive Board compensation, the amount of the bonus is limited to 200 percent of the target amount set for the variable Executive Board compensation. The accompanying incentive to not only achieve targets in the interest of the company but also exceed them is in the interest of all stakeholders, especially that of the shareholders. Moreover, the

Supervisory Board can, in special cases, set a limit of 125 percent of the target amount for hitting a target, regardless of the Executive Board's performance.

- According to Section 4.2.3, para. 4, of the Code, payments made to an Executive Board member upon early termination of his/her contract should not exceed the value of two years' compensation (severance cap), including fringe benefits.

Since the members of the Executive Board do not lose entitlement to their variable compensation from the stock option programs already earned in the event of early termination of employment and the value of those options may even increase after they have left the company, the amount of the severance cap is not limited to two annual salaries. If the member of the Executive Board prefers a severance payment instead of remaining in the stock option program, the Supervisory Board may decide on the matter at its discretion.

- According to Section 4.2.3, para. 4, sentence 5, of the Code, payments promised in the event of premature termination of Board of Management service due to a change of control should not exceed 150% of the severance payment cap.

The current employment contracts of the members of our Executive Board do place a cap on payments made in the event of premature termination of Board of Management service following a change of control but not on reimbursement for the stock options granted to them. Otherwise, the value of the stock options granted, which also reflect the successes already achieved, would either not compensate the members in full or at all.

- According to Sections 5.3.1, 5.3.2, and 5.3.3 of the Code, the Supervisory Board should form various committees.

The Supervisory Board consists of six members, four of whom are shareholder representatives and two employee representatives. No committees were formed in this constellation, in particular no audit committee and no nomination committee. The efficient and effective performance of the Supervisory Board's duties is ensured at the Company even without the formation of committees.

2. In the period from the entry into force of the GCGC 2020 on March 20, 2020 until the date of this declaration, the Company has not complied with the following recommendations of the GCGC 2020 and will not comply with them in the future:

A.1: Diversity in staffing of management positions

Appropriate internal company guidelines ensure that management positions are staffed without discrimination. When staffing management positions, however, no specific attention is paid to diversity.

B.1: Diversity in the constitution of the Executive Board

With regard to the constitution of the Executive Board, the Supervisory Board pays attention to diversity in addition to the relevant professional qualifications.

In the medium and long term, the Supervisory Board aims to appoint a woman to the Executive Board of the Company. In order to avoid setting a target which the Supervisory Board does not consider realistic and not in the Company's interest to achieve with the means at its disposal, the Supervisory Board has nevertheless limited itself to a target figure of 0 percent, which corresponds to the current status quo. Of course, this does not exclude the possibility that the Supervisory Board, in the event of an unexpected vacancy on the Executive Board, would take into account the goal of increasing the proportion of women on the Executive Board when appointing new members.

C.1: Constitution of the Supervisory Board

The Supervisory Board has set concrete goals for its constitution and developed a competence profile for the entire Board. However, no specific attention is paid to diversity in the constitution of the Supervisory Board.

B.5: Age restriction for members of the Management Board

The current service agreements of the members of the Executive Board do not yet provide for an age limit.

D.2: Committees of the Supervisory Board

The Supervisory Board consists of six members, four of whom are shareholder representatives and two employee representatives. No committees were formed in this constellation. Therefore, recommendations D.3 (establishment of an audit committee), D.4 (requirements for the chairman of the audit committee), D.5 (nomination committee) and D.11 (assessment of the quality of the audit by the audit committee) were not complied with. However, in order to enable the Supervisory Board to perform its duties more efficiently and effectively, an audit committee and a nomination committee will be formed at short notice.

G.I: Remuneration of the Executive Board

Section G.I. of the GCGC 2020 contains new recommendations on the remuneration of the Executive Board. The following of these recommendations do not fully comply with the remuneration system for the Executive Board approved by the Annual General Meeting of First Sensor AG on May 23, 2018: G.1 (determination of the remuneration system), G.3 (peer group of other companies), G.6 (relationship between short-term and long-term targets), G.10 (investment of remuneration components in shares), G.11 (possibility of withholding and reclaiming variable remuneration components), and G13 (determination of a severance cap and offsetting of severance payment against compensation for non-compliance). The Supervisory Board and the Executive Board will therefore propose to the Annual General Meeting, which will decide on the 2020 financial year, that the remuneration system be amended and adjusted in line with the amended recommendations of the GCGC 2020.

G.12: Payment on termination of contract

In the framework of the termination agreement entered into by the Company and Dr. Rothweiler, there was a deviation from the due date for payment of the variable remuneration components specified in the previous Executive Board service agreement. The outstanding variable remuneration became due upon resignation from the Executive Board.

G.13: Severance payment cap and offset against compensation for non-compete obligations

Under the termination agreement entered into by the Company and Dr. Rothweiler, the severance payment cap is not limited in value to two years' compensation. Dr. Rothweiler will receive a severance payment. In addition, he will be paid out the stock options. These amounts together exceed the severance payment cap. In addition, the severance payment will not be offset against the compensation payable under the post-contractual non-competition clause.

The service agreement with Mr. Resch concluded at the beginning of 2020 was concluded on the basis of the remuneration system for the Executive Board approved by the Annual General Meeting of First Sensor AG on May 23, 2018, and therefore does not fully comply with the recommendations of the Code 2020: G.10 (investment of remuneration components in shares) and G.13 (offsetting of severance payment against compensation for non-compete obligations). The new remuneration system to be adopted will be taken into account in the next service agreement.

Berlin, July 6, 2020

First Sensor AG

Marcus Resch	John Mitchell
Member of the Executive Board	Chairman of the Supervisory Board