

## Proposal of the Management Board for the appropriation of the balance sheet profit

As announced in the annual report for the 2019 financial year and the ad hoc communication of 18 March 2020, and in light of the effects of the COVID 19 Pandemic, which are hard to predict, the Management Board and Supervisory Board have considered whether a suspension of dividends for the 2019 financial year will be proposed to the Annual General Meeting. However, under the German Stock Corporation Act, generally a minimum sum amounting to 4% of share capital must be paid out to the shareholders from the balance sheet profit. It is only permissible to suspend any dividend from the balance sheet profit if this is necessary in order to secure the Company's existence and ability to survive for the foreseeable future, according to reasonable commercial judgement. The Management Board and Supervisory Board take the view that this requirement for full suspension of dividends has not been met.

The Management Board – as does the Supervisory Board – therefore proposes a dividend amounting to 4% of share capital be paid out to the shareholders and that the balance sheet profit for the 2019 financial year in the amount of EUR 38,712,235.28 be appropriated as follows:

Payment of a dividend of EUR 0.04 per no-par value share carrying dividend rights	EUR 1,274,496.00
Transfer to revenue reserves	EUR 0.00
Profit carried forward	EUR 37,437,739.28
Balance sheet profit	EUR 38,712,235.28

Maintal, May 2020

NORMA Group SE

**The Management Board**