

CORPORATE GOVERNANCE STATEMENT AND REPORT

The Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB) is an integral part of the combined Management Report. In accordance with Section 317 para. 2 (6) HGB, the audit of the disclosures pursuant to Sections 289f and 315d HGB is to be limited to ascertaining whether the disclosures have been made.

Declaration of the Management Board and the Supervisory Board on the recommendations of the German Corporate Governance Code

In December 2021, the Management Board and Supervisory Board of Knaus Tabbert AG issued the Declaration of Compliance with the recommendations of the German Corporate Governance Code (GCGC), as amended on 16 December 2019, for the 2021 financial year in accordance with Section 161 of the German Stock Corporation Act (AktG). Knaus Tabbert AG complies with all recommendations of the GCGC. The Declaration of Compliance reads as follows:

The recommendations of the Government Commission on the German Corporate Governance Code as amended on 16 December 2019 and published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on 20 March 2020 have been, and are being, complied with.

Jandelsbrunn, December 2021

The Management Board of Knaus Tabbert AG



Wolfgang Speck



Marc Hundsdorf



Werner Vaterl



Gerd Adamietzki

On behalf of the Supervisory Board of Knaus Tabbert AG



Dr. Esther Hackl (Chairwoman of the Supervisory Board)

The Declaration of Compliance 2021 has also been made permanently available to the public on the company's website at <https://www.knaustabbert.de/en/investor-relations/corporate-governance/>.

Disclosures on corporate governance practices

For the Management Board and Supervisory Board of Knaus Tabbert AG, the recommendations of the Corporate Governance Code are an integral part of their daily work, as are statutory provisions. We conduct our business operations in line with group-wide standards that surpass the requirements of the law and the GCGC. These also include trust, respect and integrity in our dealings with each other. Ethical behaviour and safety are our overriding goals in this regard. In order to achieve lasting and sustainable corporate success on this foundation, we strive to ensure that our activities are also in harmony with environmental and social concerns.

Compliance as the totality of group-wide measures to ensure adherence to the law, legislation and binding internal rules and regulations is an important management and monitoring task at Knaus Tabbert. For this reason, we have created the position of Chief Compliance Officer, who is responsible for managing the compliance programme, and reports directly to the Management Board.

We have set out the main principles of our corporate governance in a Code of Conduct, which provides all employees of the Group with guidance on responsible, compliant and integrity-oriented behaviour in day-to-day business, and which is binding for the entire workforce, including members of executive bodies. This applies to interactions with each other, as well as to dealings with customers and business partners. Based on respect for rules and law, the key principles include fairness and responsibility. In addition to general principles of behaviour, the Code of Conduct also contains regulations on integrity and a conflict-of-interest policy, and prohibits corruption in any form. Even the breach of law by a single employee can seriously harm the reputation of our company and cause Knaus Tabbert considerable damage, which can also be of a financial nature.

The Code of Conduct is regularly reviewed, and adapted or expanded in line with current requirements and developments. Moreover, employees are regularly informed about current issues relating to the Code of Conduct and receive training on specific topics such as product liability, antitrust law and data protection. The Code of Conduct is available on the company's website at <https://www.knaustabbert.de/en/sustainability/compliance/>.

Management and control

Responsibilities are allocated between the Management Board and the Supervisory Board in accordance with the German Stock Corporation Act, the Articles of Association and the rules of procedure for the Management Board and Supervisory Board. The rules of procedure of the Supervisory Board are available on the company's website under Investor Relations / Corporate Governance.

As a governing body of the company, the Management Board is bound to the interests of the company and committed to sustainably increasing the shareholder value. The members of the Management Board are jointly responsible for the overall management of the company and decide on fundamental issues of business policy and corporate strategy as well as on annual and multi-year planning.

The Management Board jointly steers the operational business. It consisted of four members in the 2021 financial year. All members are closely involved in the company's operating activities. Notwithstanding the collective responsibility of the Management Board, each board member independently manages the business area assigned to them under the rules of procedure. A detailed presentation of individual areas of responsibility and portfolios can be found on the company's website under Company/Management. The management of the subsidiaries and the heads of the various functional and product areas each report to a member of the Management Board.

The Management Board is responsible for preparing the quarterly reports and the half-yearly financial report as well as the annual and consolidated financial statements and the combined management report of both Knaus Tabbert AG and

the Group. Furthermore, the Management Board takes care that legal provisions, official regulations and internal company guidelines are observed, and works to ensure that these are complied with by the Group companies.

When filling management positions in the company, the Management Board pays attention to diversity and strives, in particular, to ensure an adequate representation of women and to promote internationality.

The Management Board and Supervisory Board cooperate closely in the interests of the company. The Supervisory Board advises, monitors and controls the Management Board, which provides regular, timely and comprehensive reports to the Supervisory Board on all key issues relating to the development of business, the corporate strategy and potential risks. The Supervisory Board discusses business development and planning as well as the corporate strategy and its implementation at regular intervals. It reviews the annual and consolidated financial statements, the combined management report of Knaus Tabbert AG and the Group, and the proposal for the allocation of distributable profits. Furthermore, the Supervisory Board adopts the annual financial statements of Knaus Tabbert AG and approves the consolidated financial statements, taking into account the results of the preliminary audit performed by the Audit Committee as well as the auditor's reports. The Supervisory Board decides on the proposal of the Management Board for the allocation of distributable profits and on the report submitted by the Supervisory Board to the shareholders' meeting.

Furthermore, the Supervisory Board and the Audit Committee monitor the company's compliance with legal requirements, official regulations and internal guidelines, and oversee the internal control and risk management system. The Supervisory Board is also responsible for appointing the members of the Management Board and determining their areas of responsibility. Important decisions of the Management Board such as large acquisitions, divestments and financial measures are subject to the approval of the Supervisory Board if they are not already included in the approved financing and execution plan (budget). The Supervisory Board has regulated the work of the Management Board in the rules of procedure for the Management Board.

The composition of the Supervisory Board of Knaus Tabbert AG is prescribed by law and regulated in detail in the Articles of Association. The Supervisory Board consists of twelve members, of which six are elected by the shareholders' meeting in accordance with the provisions of the German Stock Corporation Act, and six by the company's employees in accordance with the provisions of the German Co-Determination Act (Mitbestimmungsgesetz).

The shareholders of Knaus Tabbert AG exercise their control and co-determination rights at shareholders' meetings, which are chaired by the Chairwoman of the Supervisory Board. The shareholders' meeting decides on all tasks assigned to it by law (including the allocation of profits, approval of the actions of the Management Board and Supervisory Board, election of Supervisory Board members, capital measures and amendments to the Articles of Association). Shareholders may exercise their voting rights at the shareholders' meeting either in person, through an authorised representative, or by a proxy appointed by Knaus Tabbert AG.

Mode of operation of the Management Board and Supervisory Board and composition and mode of operation of their committees

The Supervisory Board is tasked with advising and monitoring the Management Board in its running of Knaus Tabbert AG. It has established rules of procedure for itself. The Supervisory Board appoints the members of the Management Board in accordance with statutory provisions and the Articles of Association. It issues rules of procedure for the Management Board, which contain a catalogue of transactions requiring approval, as well as a business responsibility plan. The Supervisory Board holds at least two meetings per calendar half-year. As a rule, at least five plenary meetings are held per calendar year. The key issues discussed at the meetings in the past financial year are summarised in the Report of the Supervisory Board, which forms part of this Annual Report. Unless otherwise decided by the Chairwoman of the Supervisory Board, the members of the Management Board attend the meetings of the Supervisory Board, provide

written and oral reports on the individual agenda items and draft resolutions, and respond to questions from the members of the Supervisory Board.

As a rule, the meetings of the Supervisory Board are convened by the Chairwoman with at least fourteen days' prior notice. The Chairwoman of the Supervisory Board reports to the shareholders on the activities of the Supervisory Board and its committees at the shareholders' meetings. The Management Board regularly updates the Chairwoman of the Supervisory Board on current developments.

The Supervisory Board has established four committees for the efficient performance of its duties: a Presiding Committee, a Nomination Committee, an Audit Committee and a Mediation Committee.

The **Presiding Committee** consists of the Chairwoman, the Deputy Chairman, a shareholder representative and an employee representative. The Chairwoman of the Supervisory Board also serves as Chairwoman of the Presiding Committee. At the initiative of its Chairwoman, the Presiding Committee discusses important issues and prepares resolutions of the Supervisory Board. Under special circumstances or in urgent cases, the Presiding Committee may approve transactions requiring the consent of the Supervisory Board. The Presiding Committee also advises the Management Board on matters of corporate planning, and prepares the personnel decisions of the Supervisory Board.

The members of the Presiding Committee are Dr. Esther Hackl (Chairwoman), Anton Autengruber (Deputy Chairman), Willem Paulus de Pundert and Ferdinand Sommer.

The **Nomination Committee** is composed exclusively of shareholder representatives and consists of the Chairwoman of the Supervisory Board and two further shareholder representatives of the Supervisory Board. It proposes suitable candidates for election to the Supervisory Board at the shareholders' meeting. The Chairwoman of the Supervisory Board is also Chairwoman of the Nomination Committee.

The members of the Nomination Committee are Dr. Esther Hackl (Chairwoman), Klaas Mertens and Willem Paulus de Pundert.

Furthermore, an **Audit Committee** was established. The Audit Committee consists of six members, namely four shareholder representatives and two employee representatives of the Supervisory Board. The Audit Committee convenes as required with the attendance of the Management Board members or of the auditor. The Management Board does not attend meetings in which the auditor is called in as an expert, unless the Audit Committee deems its attendance necessary. The Audit Committee is responsible for auditing the accounts, monitoring the financial reporting process, assessing the effectiveness of the internal control system and risk management system, and for compliance. It is also tasked with verifying the requisite independence of the auditors, issuing audit assignments to the auditors, defining the focal points of the audit, evaluating the quality of the audit and reaching an agreement on the auditor's remuneration.

The members of the Audit Committee are Jana Donath (Chairwoman), Dr. Esther Hackl (Deputy Chairwoman), Anton Autengruber, Klaas Mertens, Willem Paulus de Pundert and Ferdinand Sommer.

In accordance with the provisions of the German Co-Determination Act, the Supervisory Board of Knaus Tabbert AG has also established a **Mediation Committee** consisting of the Chairwoman and Deputy Chairman of the Supervisory Board, one employee representative of the Supervisory Board and one shareholder representative of the Supervisory Board.

The members of the Mediation Committee are Dr. Esther Hackl (Chairwoman), Anton Autengruber (Deputy Chairman), Willem Paulus de Pundert and Robert Scherer.

The Supervisory Board assesses the effectiveness of its work and the work of its committees at least once a year. In 2021, this was performed by means of a structured questionnaire, the results of which were discussed in detail by the Supervisory Board.

Further information on the Supervisory Board and its members can be found on the company's website at <https://www.knaustabbert.de/en/company/supervisory-board/>. There, you can also find the rules of procedure of the Supervisory Board at <https://www.knaustabbert.de/en/investor-relations/corporate-governance/>.

Objectives regarding the composition of the Supervisory Board and the Management Board

With a view to ensuring diversity on the Management Board, the Supervisory Board strives to give due consideration to various professional and international backgrounds, and to ensure that both genders are fairly represented in the long term. In addition to a diverse board composition, Management Board members continue to be selected on the basis of their expertise, professional qualifications and personality. Management Board members should bring a broad range of professional experience and expertise to the table. In this respect, the concept of diversity acts as an additional guideline for the selection of suitable candidates to the Management Board.

In August 2020, the Supervisory Board decided on a target quota of women of 0 % for the Management Board. This decision was based on the fact that the Management Board is a successful and well-coordinated team, and the Supervisory Board wished to retain the necessary flexibility with regard to the composition of the Management Board. Accordingly, the Management Board did not include any female members in the 2021 financial year. On 11 August 2021, the Second Act on Equal Participation of Women in Leadership Positions in the Private and Public Sector (Second Leadership Positions Act - FÜPoG II) was promulgated in the German Federal Law Gazette (Bundesgesetzblatt). The new regulations thus came into force on 12 August 2021. FÜPoG II stipulates that for listed and co-determined companies with a management board consisting of more than three members and zero female members, appointment of a woman is mandatory from 1 August 2022. Since the Management Board of Knaus Tabbert AG is composed of more than three individuals and has had no female members to date, this regulation will require Knaus Tabbert AG to appoint a woman to the Management Board as of 1 August 2022. With this in mind, the Supervisory Board has decided that the Management Board should include a female board member as soon as possible - both out of general considerations of ESG and diversity and on account of the legal provisions of Section 76 (3a) of the German Stock Corporation Act - and will take this into due account with regard to the composition of the Management Board and new appointments from 1 August 2022.

For members of the Management Board, an age limit of 65 generally applies.

The law stipulates that the Supervisory Board of Knaus Tabbert AG must be composed of at least 30 % women and at least 30% men. These quotas are to be fulfilled separately by both the shareholder representatives and the employee representatives as overall fulfilment was objected to (separate fulfilment). It cannot be ruled out that overall fulfilment will become the decisive criterion in the future.

Two female shareholder representatives and one female employee representative were appointed to the Supervisory Board in the 2021 financial year. This translates into a women's quota of 33.3 % for the shareholder representatives and 16.7 % for the employee representatives. The proportion of women on the Supervisory Board as a whole is 25 %. The failure to meet this target for the group of employee representatives stems from the fact that since the statutory quota of 30 % came into force, no elections of employee representatives have been held for which this quota was binding.

The Supervisory Board has also decided on a competence profile for its composition, according to which the Supervisory Board as a whole should have the competences deemed essential with respect to the activities of the Knaus Tabbert Group. These include, in particular, in-depth experience and expertise

- in the management of a large or medium-sized, internationally active corporation;
- in industrial business and value creation along diverse value chains;
- in the field of research and development, in particular in the technologies of relevance to the company as well as in adjacent or related areas;
- in the areas of production, marketing, sales and digitalisation;
- in the main markets in which Knaus Tabbert operates;
- in accounting and financial reporting;
- in controlling/risk management; and
- in the field of governance/compliance.

Moreover, in view of the requirements of Section 100 para. 5 of the German Stock Corporation Act, at least one member of the Supervisory Board must have expertise in the fields of accounting, and at least one other member in the field of auditing, which must be taken into due consideration when appointing new board members. The Supervisory Board as a whole must be familiar with the industry in which the company operates.

More than half of the shareholder representatives shall be independent of the company and the Management Board within the meaning of the GCGC. At least two shareholder representatives shall be independent of controlling shareholders within the meaning of the GCGC (this criterion is met by Dr. Esther Hackl, Jana Donath and Manfred Pretscher). The Chairwoman of the Supervisory Board, the Chairwoman of the Audit Committee and the chairwoman of the committee dealing with the remuneration of the Management Board shall be independent of the company and the Management Board. Moreover, the Chairwoman of the Audit Committee shall be independent of controlling shareholders. Members of the Supervisory Board shall neither exercise any executive or advisory functions for, nor have any personal ties to, significant competitors, customers, suppliers or lenders of the company or other third parties. The Supervisory Board shall not include more than two former members of the Management Board.

As a rule, members of the Supervisory Board should not be older than 72. Deviations from this rule are permitted in exceptional and substantiated cases. Membership of the Supervisory Board should in principle not exceed twelve years.

The Supervisory Board decided on the competence profile prior to the initial public offering of the company, and considers it to be fully implemented at present.

Targets for filling management positions

When filling management positions in the company, the Management Board pays attention to diversity and strives for an adequate representation of women. In setting these targets, Knaus Tabbert AG, as a technology-oriented company, has to take into account industry-specific circumstances as well as the current quota of women in the workforce.

In September 2020, the Management Board therefore set a target of 33 % for the proportion of women in the first management level of Knaus Tabbert AG below the Management Board, and 22 % for the proportion of women in the second management level below the Management Board. The resolution is valid for a period of five years. The targets were met in the 2021 financial year. However, the Management Board reserves the right to set a higher percentage of women in the first two management levels below the Management Board in the future, provided this can be implemented while taking due account of industry-specific circumstances.

Remuneration report and remuneration system

The remuneration report for the 2021 financial year pursuant to Section 162 para. 1 AktG, the auditor's report on the audit of the remuneration report for the 2021 financial year pursuant to Section 162 para. 3 (3) AktG, the applicable remuneration system approved by the shareholders' meeting on 23 June 2021 pursuant to Section 87a para. 1 and 2 (1) AktG, and the remuneration resolution adopted by the shareholders' meeting on 23 June 2021 pursuant to Section 113 para. 3 AktG are available to the public at <https://www.knaustabbert.de/en/investor-relations/>.

Transparent corporate communication

Open and transparent corporate communication is an essential component of good corporate governance. In addition to clear and intelligible content, this also calls for equal access to information of the company for all target groups.

Knaus Tabbert AG provided shareholders, financial analysts, the media and the interested public with equal access to up-to-date information on the development of the company and significant events in the reporting year. All mandatory publications as well as further detailed and supplementary information were published on the company's website in a timely manner. Publications such as ad hoc announcements, media releases, interim and annual reports were simultaneously made available to analysts and investors in German and English.

The planned dates of important recurring events such as the publication dates of the annual report and the interim reports as well as the dates of shareholders' meetings are listed in a financial calendar. This is published at the beginning of a financial year and made available on the Knaus Tabbert website. The publication dates are aligned with the requirements of the stock exchange