

Brockhaus Technologies AG

2022 Declaration of Compliance

Declaration of Compliance with the German Corporate Governance Code by the Executive Board and the Supervisory Board of Brockhaus Technologies AG pursuant to section 161 of the AktG

The following Declaration of Compliance refers to the current version of the German Corporate Governance Code (the “Code”) dated April 28, 2022, which was published in the Federal Gazette on June 27, 2022. The Executive Board and Supervisory Board of Brockhaus Technologies AG (the “Company”) declare that, since the release of the last Declaration of Compliance dated January 2021, the Company has complied and will continue to comply with the recommendations of the Code, with the following departures:

1. Systematic identification and assessment of the risks and opportunities for the Company associated with social and environmental factors and the ecological and social impacts of the Company’s activities (A.1 sentence 1 of the Code):

Precautionary departure related to past practice

This is a new recommendation added to the Code. The Executive Board and Supervisory Board take the issue of sustainability very seriously and have in the past therefore dealt with social and environmental factors as part of both the corporate strategy and corporate planning, and will continue to do so in future. Furthermore, for the systematic identification and above all assessment of the risks and opportunities associated with social and environmental factors for the Company and the ecological and social impacts of the Company’s activities as required by A.1 sentence 1, the Executive Board has mandated an external advisor. However, since the process in this regard has not yet been completed, a precautionary departure related to past practice is hereby declared for A.1 sentence 1.

In the future, the Company will meet recommendation A. 1 in full.

2. Age limit for Executive Board members (B.5 of the Code):

Departure related to past practice

The Supervisory Board did previously not consider such an age limit appropriate and did therefore not specify an age limit. For this reason, a departure related to past practice is hereby declared.

However, at the beginning of 2023, the Supervisory Board resolved an age limit and decided that an Executive Board member should normally step down from the Executive Board in the calendar year in which the member reaches the statutory retirement age, currently 67 years. The Company will therefore meet recommendation B.5 in the future.

3. Skills and expertise profile of the Supervisory Board (C.1 of the Code)
Departure related to past practice

In the past, the Supervisory Board had argued that, in the Supervisory Board's opinion, its members currently cover all areas of skills and expertise required for efficient Supervisory Board work and therefore did not see the need to specify a special profile of skills and expertise. For this reason, a precautionary departure related to past practice is hereby declared.

In the meantime, the Supervisory Board has decided to compile an appropriate profile of skills and expertise. It will disclose the status of implementation in the form of a qualification matrix in the Corporate Governance Statement. Recommendation C.1 will therefore be met in full in future.

4. Age limit for Supervisory Board members (C.2 sentence 1 of the Code)
Departure related to past practice

In the past, the Supervisory Board departed from recommendation C.2 sentence 1 as it believed that, when deciding on the composition of a functioning and effective Supervisory Board, it could be in the Company's interest to appoint a Board member with many years of experience, and that this was why specifying a general age limit might not meet the needs of a given individual case.

However, at the beginning of 2023, the Supervisory Board specified an age limit of 75 years for members of the Supervisory Board, thus meeting recommendation C.2.

5. Disclosure of conflicts of interest by a member of the Executive Board (E.2 of the Code)
Departure related to past practice

Previously, the Company departed from this recommendation of the Code where it relates to a general disclosure requirement in relation to other members of the Executive Board, since the Rules of Procedure previously laid down a disclosure requirement for the Executive Board only to the extent that disclosure is appropriate. The Company believed that this was adequate to ensure conflicts of interest were appropriately dealt with, given that the Supervisory Board or the Executive Board member concerned could involve the full Executive Board at any time.

The Supervisory Board will adapt the Rules of Procedure to recommendation E.2 as soon as possible. This recommendation will therefore be met in the future.

6. Assumption of sideline activities by members of the Executive Board (E.3 of the Code)

Departure related to past practice

Previously, the Company departed from this recommendation of the Code where it relates to approval by the full Supervisory Board, as the Rules of Procedure only require approval by the Chair of the Supervisory Board. The Company believed that this was adequate to ensure potential sideline activities were appropriately dealt with, since the Chair of the Supervisory Board or the Executive Board member concerned could involve the full Executive Board at any time.

The Supervisory Board will adapt the Rules of Procedure to recommendation E.2 as soon as possible. This recommendation will therefore be met in the future.

7. The consolidated financial statements and the Group management report shall be made publicly accessible within 90 days from the end of the fiscal year (F.2 of the Code)

Departure related to past practice

Due to the acquisition of Bikeleasing Group shortly before the end of 2021 and the resulting efforts to present this acquisition in the financial statements for fiscal year 2021, the consolidated financial statements for fiscal year 2021 were not published within 90 days of the end of the fiscal year. The Company will, however, fully meet this recommendation in the future.

8. Predominantly share-based remuneration / Investment in shares and timing of the accessibility of granted long-term variable remuneration components (G.10 of the Code)

Departure

The remuneration system already approved for the Executive Board provides for a share-based remuneration option. However, this does not apply to the predominant share of the variable remuneration components because the Supervisory Board considers the arrangements stipulated in the remuneration system to be adequate for ensuring the appropriate harmonization of the interests of the Executive Board and the shareholders. The Supervisory Board considers a four-year holding period to be too extensive and believes that a holding period of up to three years is adequate for ensuring a long-term incentive

9. Holding period after contract termination (G.12 of the Code)

Departure

The remuneration system for the Executive Board sets out that the members of the Executive Board are not required to hold shares of the Company granted to them by the Company as remuneration beyond the date of termination of their membership of the Executive Board. The Supervisory Board does not believe that there is any need in this case to ensure the long-term nature of variable remuneration components.

Frankfurt am Main, January 2023

Executive Board

Supervisory Board

Marco Brockhaus
Chairman of the Executive Board

Dr. Othmar Belker
Chairman of the Supervisory Board