

## Corporate Governance Statement

The corporate governance statement (as per sections 289f and 315d of the German Commercial Code (HGB)) includes the declaration of compliance pursuant to section 161 of the German Stock Corporation Act (AktG), the disclosures of relevant information on corporate governance practices implemented beyond the legal requirements, and descriptions of the operating procedures followed by the Executive Board and Supervisory Board and the composition and operating procedures of Supervisory Board committees.

This corporate governance statement is publicly accessible on Brockhaus Technologies AG's website ([www.brockhaus-technologies.com](http://www.brockhaus-technologies.com)) at [Investor Relations](#), section [Corporate Governance](#).

### **I. 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 16 December 2019, which was published in the Federal Gazette on 20 March 2020. The Executive Board and Supervisory Board of Brockhaus Technologies AG (the "**Company**") declare that, since the release of the last Declaration of Compliance dated December 2020, including the addition dated March 2021 and the update from May 2021, the Company has complied and will continue to comply with the recommendations of the Code, with the following departures:

#### **1. Term of Executive Board appointments not more than three years (B.3 of the Code)**

This recommendation of the Code did not exist when the current Executive Board members were appointed for five years at the time when the Company changed its legal form to that of a stock corporation. The Company is of the opinion that the five-year appointment period ensures appropriate continuity of management. The Supervisory Board will review the application of this recommendation of the Code before making first-time appointments to the Executive board in the future.

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

The Company does not consider the requirement for a general age limit to be a rational criterion for selecting suitable Executive Board members. In any case, the question of an age limit does not arise with the current members of the Executive Board. In addition, when deciding on the composition of a functional and effective Executive Board, the appointment of a member with many years of experience may be in the interest of the Company, so that a general requirement for an age limit would not be appropriate from the Company's perspective, regardless of the specific candidate.

## **3. Skills and expertise profile of the Supervisory Board (C.1 of the Code)**

The Supervisory Board takes the view that its members currently cover all fields of expertise necessary for the efficient work of the Supervisory Board. The Supervisory Board therefore sees no need to compile a special profile of skills and expertise.

## **4. Age limit for Supervisory Board members (C.2 of the Code)**

The reasons given for departure from B.5 of the Code apply here accordingly.

## **5. Curriculum vitae of Supervisory Board candidates (C.14 of the Code)**

The Company declares a departure in this regard, because the recommendation has not been complied with to date. The Company intends to comply with recommendation C.14 of the Code going forward.

## **6. Establishment of Supervisory Board committees (D.2, D.3, D.5 of the Code)**

For the period up to 12 May 2021, the Company declares a departure from this recommendation of the Code as a precaution, because committees had not been established until this date.

## **7. Disclosure of conflicts of interest by a member of the Executive Board (E.2 of the Code)**

The Company declares a departure from this recommendation of the Code to the extent that it relates to a general duty to disclose vis-à-vis the Executive Board Chairman or other Executive Board members, as the rules of procedure for the Executive Board only stipulate an obligation to disclose

to the other Executive Board members where such disclosure is appropriate. The Company considers the disclosure requirement stipulated in the rules of procedure for the Executive Board to be sufficient to ensure that conflicts of interest are dealt with appropriately, especially as the Supervisory Board and the Executive Board member concerned can involve the full Executive Board, which only consists of two members, at any time. In addition, in the opinion of the Company, the obligation to disclose stipulated in the rules of procedure for the Executive Board enables decisions to be made more quickly and thus also enables the conflicts of interest to be dealt with more quickly.

#### **8. Assumption of sideline activities by members of the Executive Board (E.3 of the Code)**

The Company declares a departure from this recommendation of the Code to the extent that it relates to the approval of the full Supervisory Board, as the rules of procedure for the Executive Board only stipulate the approval of the Supervisory Board Chairman. The Company considers the requirement for approval stipulated in the rules of procedure for the Executive Board to be sufficient to ensure that sideline activities are dealt with appropriately, in particular because the Supervisory Board Chairman and the Executive Board member concerned can involve the full Supervisory Board at any time.

#### **9. 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)**

Due to the acquisition of Bikeleasing-Service GmbH & Co. KG (including subsidiaries of the BLS Group), the consolidated financial statements and the Group management report for fiscal year 2021 have not been published within 90 days from the end of the fiscal year. The Company expects one-time additional time expenditure for the first-time integration of the BLS Group in the consolidated financial statements and, in particular, the reconciliation of the financial figures of the BLS Group from HGB to IFRS. The Company intends to publish the financial information for the fiscal year ending on 31 December 2022, as well as the following fiscal years, within the recommended time frame.

#### **10. Duties of companies subject to special legal regulations (F.4 of the Code)**

The recommendation of the Code is vague with regard to what is meant by “subject to special legal regulations” and the definition is unclear. As a precaution, a departure is therefore declared in this respect. Nevertheless, the Supervisory Board will make every effort to comply with the requirements of the recommendation of the Code.

**11. Establishment of certain performance criteria (G.7 of the Code)**

The Annual General Meeting has already issued a resolution with regard to the approval of the remuneration system presented. Before the beginning of the first fiscal year of the three-year reference period, the Supervisory Board will establish the specific target values for the performance targets applicable to the multiyear variable remuneration for the following three-year measurement period. The Supervisory Board does not believe that establishing these target values each year for each member of the Executive Board is expedient because long-term targets to be achieved over a multiyear period cannot be rationally split up into individual annual segments.

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

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 excessive, and believes that a holding period of up to three years is adequate for ensuring a long-term incentive.

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

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 2022

Executive Board

Supervisory Board

Marco Brockhaus

Dr. Othmar Belker

Chairman of the Executive Board

Chairman of the Supervisory Board

## **II. Relevant disclosures on business practices**

The Company's corporate governance activities comply with the requirements of the Stock Corporation Act and, where applicable, other statutory provisions. The Executive Board and Supervisory Board additionally align their activities to the recommendations and suggestions of the German Corporate Governance Code (GCGC); these two governing bodies document compliance with the GCGC recommendations in the declaration of compliance pursuant to section 161 of the German Stock Corporation Act (AktG) (see section I). The governing principle of the Company and its subsidiaries (collectively "Brockhaus Technologies") is to conduct all business according to the principle of the "honorable merchant" with the objective of achieving sustained business success.

In addition to the GCGC recommendations, the Company strives for transparent partnerships with employees, investors and business partners on a basis of trust and integrity.

Our compliance management system (CMS) enables us to ensure our adherence not only to the law but also to our own corporate guidelines and the ethical standards to which we feel committed. We have compiled the regulations and organizational structures most important to Brockhaus Technologies in compliance and risk management manuals applicable throughout the Group. Our CMS takes a preventive approach. This is why we actively pursue precautionary measures and processes as well as ad-hoc reporting processes, if necessary, to first avoid disruptions to our business activities and then identify them in near real-time when they do occur.

In fiscal 2021, for instance, we informed all individuals who work for Brockhaus Technologies and have access to insider information either as a matter of course or in some other way (e.g., coincidentally) about the strict legal regulations on insider information primarily governed by the EU Market Abuse Regulation. Insider information violations can have serious consequences not only for those affected but can also significantly damage the Company's reputation. Against this backdrop, the Company issued new insider information guidelines for members of governing bodies and for (new) employees of the group as early as 2020.

Other important components of our risk early identification and management system are our risk management system (RMS) and the internal control system for accounting and financial reporting (ICS). The Group-wide RMS is used to actively monitor risks, i.e., to ascertain the

source of negative target deviations and to implement suitable measures to manage and monitor these. The aim of our ICS is to minimize risk overall and prevent the occurrence of possible risks. To this end, existing processes and interfaces involved in the preparation of the consolidated financial statements, the Company's single-entity financial statements and the Company's combined management report are regularly reviewed.

It is the Company's mission to set the highest possible ethical and professional standards for itself, its subsidiaries and the industries in the course of its operating activities. We have therefore compiled guiding principles for our employees that are both put into practice at our Company and can be transferred to the subsidiaries. Professional as well as ethical standards are viewed as integral to the Company.

### **III. Executive Board and Supervisory Board operating procedures**

In accordance with the Stock Corporation Act, corporate governance at German public limited corporations is divided into management and control. The Executive Board is independently responsible for managing the Company in the Company's interests. The Supervisory Board appoints and dismisses the members of the Executive Board, and is therefore responsible for personnel matters in this regard. In addition, the Supervisory Board oversees and advises the Executive Board in its management of the Company and must be consulted on decisions of fundamental importance to the Company.

The Company's Executive Board and Management Board work together closely on a foundation of trust. One of their guiding principles is the goal of achieving sustainable value growth on the basis of responsible corporate governance for the common good and on behalf of shareholders, employees and other stakeholders.

#### **1. Executive Board**

When appointing Executive Board members, the Supervisory Board concentrates on the candidates' professional suitability, experience and leadership qualities. Pursuant to section 7 (3) of the Company's Articles of Association, the Company's Supervisory Board issued rules of procedure for the Executive Board describing matters such as the Executive Board's duties and obligations. The members of the Executive Board have joint responsibility for all

aspects of Company management, and decide and implement basic issues of business policy and corporate strategy. In this context, the Executive Board coordinates with the Supervisory Board in line with the rules of procedure, informs the Supervisory Board about all topics relevant to the Company and regularly discusses the Company's strategy with the Supervisory Board. The Executive Board obtains the approval of the Supervisory Board for issues that require this according to the law, the Company's Articles of Association, the Executive Board's rules of procedure or a possible Supervisory Board resolution.

The Company's Executive Board currently comprises two members who were appointed in 2017 for five-year terms:

- Marco Brockhaus (Chair)
- Dr. Marcel Wilhelm (Chief Operating Officer / Legal Counsel)

As a rule, Executive Board members share responsibility for managing the Company. Apart from their general responsibility for the Company, the individual Executive Board members manage the business areas assigned to them on their own responsibility by the law, the Company's Articles of Association, the Executive Board's rules of procedure and the resolutions of all Executive Board members. Executive Board members inform each other regularly about important measures, business, transactions and developments in a timely manner. The Chair of the Executive Board designated by the Supervisory Board is tasked with coordinating all business areas.

According to the Executive Board's rules of procedure, resolutions of the Executive Board are generally adopted in meetings and with a simple majority. The Executive Board Chair casts the deciding vote in the event of a tie by invoking this rule if the Executive Board consists of more than two members. The Executive Board's rules of procedure additionally govern the cases in which a resolution of the full Executive Board is required and issues requiring a resolution over which the Executive Board Chair has a right of veto (e.g., transactions requiring the approval of the Supervisory Board; fundamental issues concerning the Company's organization, business policy and financial and investment planning presented to the Executive Board for a vote; issues beyond the regular business operations of the Company or an affiliated company or which may exert a material influence on the net assets, financial

position or results of operations of the Company or an affiliated company; or issues otherwise of extraordinary importance or associated with an extraordinary business risk).

Executive Board meetings are held at least twice a month after being convened by the Executive Board Chair, who runs the Executive Board meetings. However, resolutions can be voted on outside of meetings if no member of the Executive Board objects.

The Executive Board has not formed any committees due to its size.

## 2. **Supervisory Board**

The Supervisory Board oversees the Executive Board's management of the Company, is available to advise the Executive Board, particularly on matters of strategy, and must be involved in decisions of fundamental importance to the Company. To this end, the Supervisory Board has issued rules of procedure for the Executive Board containing a list of transactions requiring approval. In addition to the aforementioned duties, the Supervisory Board reviews the consolidated financial statements, the annual financial statements, the combined management report and the proposal for the appropriation of net retained profit. The annual financial statements are adopted by way of approval of the Supervisory Board. The Supervisory Board also prepares a compensation report together with the Executive Board. In accordance with section 12 (1) of the Company's Articles of Association, the Supervisory Board has issued rules of procedure for itself. This is permanently available on Brockhaus Technologies AG's website ([www.brockhaus-technologies.com](http://www.brockhaus-technologies.com)) at Investor Relations, section Corporate Governance.

At the time this statement was submitted, the following individuals were members of the Company's Supervisory Board and are all serving terms running until 2023, with the exception of Dr. Cornelius Liedtke. Dr. Liedtke's term expires at the end of the next Annual General Meeting.

Dr. Othmar Belker (Chair)	Member of the Supervisory Board since 2017
Michael Schuster (Deputy Chair)	Member of the Supervisory Board since 2017
Martin Bestmann	Member of the Supervisory Board since 2020
Prof. Dr. Christoph Hütten	Member of the Supervisory Board since 2021
Dr. Cornelius Liedtke	Member of the Supervisory Board since 2020
Andreas Peiker	Member of the Supervisory Board since 2018



From among its members, the Supervisory Board elected a Chair (Dr. Othmar Belker) and a Deputy Chair (Michael Schuster). The Supervisory Board Chair is in regular contact with the Executive Board Chair between meetings and consults with him regarding issues of Company strategy, planning, business performance, risk management and compliance. He is informed by the Executive Board Chair about key events of material importance for assessing the Company's position and performance as well as for managing the Company. The Chair of the Supervisory Board generally runs the Company's Annual General Meeting.

The Supervisory and Executive Boards work together to ensure the long-term succession planning for the Executive Board. In addition to the requirements of the Stock Corporation Act and the GCGC, the profiles developed by the Supervisory Board and Executive Board are taken into account in the planning process. In this context, the Supervisory Board and Executive Board keep in mind the employees of the Company who have been contributing to its success for many years in particular. Their professional development is enthusiastically supported encouraged. The Executive Board and Supervisory Board work toward retaining these employees at the Company for the long term. No external consultants have been hired to date for purposes of succession planning by the Supervisory Board and Executive Board. Among others, this is due to the fact that the Executive Board and Supervisory Board members each have access to extensive networks and experience that can be helpful in this regard and, in this way, can conserve the Company's financial resources. The governing bodies reserve the right to commission such consultants if this proves advisable.

The number of Supervisory Board members of the Company is set at six by article 9 (1) of the Company's Articles of Association. Two-thirds of the Company's Supervisory Board is elected by the Annual General Meeting. In accordance with the Company's Articles of Association, Falkenstein Heritage GmbH, whose registered office is in Wetzlar, has a non-transferable right to appoint one-third of the number of Supervisory Board members representing the shareholders stipulated by the law or the Articles of Association. The Managing Director of Falkenstein Heritage GmbH is the Company's Executive Board Chair Marco Brockhaus.

The Supervisory Board considers it appropriate for at least four of its members to be independent.

Currently, the Supervisory Board considers all of its members to be independent within the meaning of the GCGC. In particular, the Supervisory Board took into account the fact that

both Mr. Bestmann and Prof. Dr. Hütten were appointed to the Supervisory Board by Falkenstein Heritage GmbH based on its power to appoint members. This company's managing director and controlling shareholder is Mr. Brockhaus. Mr. Bestmann is available to the Company as a consultant on issues falling outside of his Supervisory Board activities with the approval of the Supervisory Board. After considering all circumstances accordingly, the Supervisory Board came to the conclusion that both Mr. Bestmann and Prof. Dr. Hütten have no personal or business relationship with the Company or its Executive Board that could constitute a material and more than temporary conflict of interest (e.g., C.7 GCGC) in view of the fact that the remuneration Mr. Bestmann receives for his consulting activities is relatively minimal. Neither Mr. Bestmann nor Prof. Dr. Hütten are bound by the instructions of Falkenstein Heritage GmbH, Mr. Brockhaus or any other party. The Supervisory Board is confident that both of them perform their duties objectively and in compliance with the statutory provisions.

The Supervisory Board holds at least two meetings per calendar half-year. The meetings are convened by the Supervisory Board Chair. As a rule, the meetings are held in-person. The resolutions of the Supervisory Board are generally passed with a simple majority vote. The Chair casts the deciding vote in the event of a tie. The remuneration of the Chair, the Deputy Chair and the other Supervisory Board members is governed by article 15 of the Company's Articles of Association. The meetings are held partly with and partly without the members of the Board of Directors.

Prof. Dr. Christoph Hütten possesses expertise in both accounting and financial statement auditing and also has special knowledge and experience in the application of accounting principles and internal control procedures. Dr. Belker has expertise in the field of accounting (section 100 (5) of the Stock Corporation Act (AktG), GCGC D.4). In addition, both possess the requisite expertise in the other field. The members of the Supervisory Board as a whole are familiar with the sector in which the Company operates. The Company is not subject to co-determination, so the Supervisory Board is exclusively composed of shareholder representatives.

The Supervisory Board conducts a regular self-assessment to determine whether it is performing its duties effectively, which includes in particular the workflows of the Supervisory Board and the flow of information between the Supervisory Board and Executive Board as well as the timely supply of sufficient information by the Executive Board to the Supervisory

Board. In view of the size of the Supervisory Board and the Company, and the straightforward channels of communication between the Supervisory Board and Executive Board, no third-party consultants were hired for the self-assessment.

### 3. **Supervisory Board committees**

The Supervisory Board has formed an Executive and Nomination Committee and an Audit Committee to fulfill its duties.

The Executive and Nomination Committee comprise the Supervisory Board Chair, the Deputy Chair and another member to be elected by the Supervisory Board. The Supervisory Board Chair is also the Committee Chair. In addition to Dr. Othmar Belker (Committee Chair) and Michael Schuster (Deputy Chair), Andreas Peiker is a member of the committee.

The Executive and Nomination Committee prepares information for the Supervisory Board meetings, HR decisions by the Supervisory Board, the total remuneration of the Executive Board members and the Executive Board remuneration system. Moreover, the Committee generally makes decisions on other legal transactions with respect to Executive Board members as per section 112 of the Stock Corporation Act (AktG) and proposes suitable candidates to the Supervisory Board for election at the Annual General Meeting.

The Audit Committee has three members, and its composition is currently as follows: Prof. Dr. Christoph Hütten (Committee Chair), Martin Bestmann (Deputy Chair), Dr. Othmar Belker (Committee member). The Supervisory Board has determined all members of the Audit Committee to be independent.

The Audit Committee's portfolio includes issues concerning accounting and the accounting process, financial statement audits and the auditor, and monitoring the internal control system, the risk management system, the internal auditing system, compliance management activities and related party transactions. The Audit Committee discusses the half-yearly reports and quarterly statements with the Executive Board prior to their publication and makes recommendations to the Supervisory Board on the approval of the financial statements and consolidated financial statements and the Supervisory Board's proposal to the Annual General Meeting on the election of the auditor.

#### **IV. Setting of target quotas for women on the Executive Board, Supervisory Board and management levels below board level**

The duty to set target quotas pursuant to sections 76 (4), 111 (5) of the Stock Corporation Act (AktG) is applicable in particular to stock exchange-listed companies. Currently, the Company's Executive Board and Supervisory Board only have male members.

The Company's Supervisory Board has set a target quota for female members of the Executive Board amounting to 25% by the end of 30 June 2025 in the event that the Executive Board consists of more than three (3) members at that time, in other words, one (1) female member if the Executive Board has four (4) members, or otherwise 0% if the Executive Board consists of three (3) or fewer members. As long as the Executive Board is comparatively small at fewer than four members, it is in the Company's interests to retain the greatest possible flexibility. Neither personnel changes nor expansion of the Executive Board are planned or foreseeable at this time. The Supervisory Board considers the aim of German lawmakers to increase the share of women on boards to be worthwhile and hopes to align the Company's interest in continuing the successful work of the current Executive Board members, the future need of the Company for an expanded Executive Board and diversity.

The Supervisory Board set a target quota of 16.67% female members of the Supervisory Board, i.e., one (1) female member out of six (6) Supervisory Board members, and aims to propose a female candidate to the Supervisory Board at the next Annual General Meeting to fill this quota.

The deadline for meeting the quotas was set at the end of the day on 30 June 2025, the latest date on which the Supervisory Board will review each of the target quotas.

To date, the Executive Board has not set any target quotas of female employees at the two management levels below board level, because there are no management levels below the Executive Board level at the Company since it is structured as a holding company.

## **V. Diversity policy**

In terms of the composition of the Executive Board, Supervisory Board and management functions, the Executive Board and Supervisory Board also take into account diversity. However, no fixed diversity policy in terms of diversity characteristics such as age, gender, educational or professional background is pursued. The composition of the governing bodies must ensure effective and sustainable management of the Company in the Company's interests. In order to create the conditions for professional exercise of these duties, the Company will continue in future to primarily focus on the professional skills, abilities and experience of each of the candidates being considered. At the same time, when selecting its proposed Supervisory Board candidates, for instance, the Supervisory Board takes care to ensure that individuals with various educational backgrounds (technical, business, legal) are represented on the Supervisory Board.

The Company is of the opinion that, apart from the existing efforts and planned measures to promote diversity, an additional diversity policy would not provide substantial added value. Against this backdrop, the Company does not pursue a diversity policy. The Executive Board and Supervisory Board will monitor how diversity at Brockhaus Technologies develops and reserve the right to introduce a diversity policy if and to the extent that such a policy appears to be expedient in view of the Company's interests.

## **VI. Remuneration system and remuneration report**

The basic principles behind the remuneration system and disclosures regarding the remuneration of the Executive Board and Supervisory Board for the 2021 fiscal year are outlined in the remuneration report. The auditor of the financial statements, KPMG AG Wirtschaftsprüfungsgesellschaft, conducted a formal audit and also voluntarily a substantive audit of the content and form of the remuneration report. The remuneration report on the previous fiscal year and the audit opinion by the auditor in accordance with section 162 of the AktG, the applicable remuneration system in accordance with section 87a (1) and (2) sentence 1 of the AktG, which was approved by the Annual General Meeting on 16 June 2021, and the remuneration system for members of the Supervisory Board approved on the same day by the Annual General Meeting in accordance with section 113 (3) of the AktG are available on Brockhaus Technologies AG's website ([www.brockhaus-technologies.com](http://www.brockhaus-technologies.com)) at [Investor Relations](#), section [Corporate Governance](#).