

## **Declaration of compliance with the German Corporate Governance Code pursuant to section 161 of the German Stock Corporation Act**

The Management and Supervisory Boards at Bertrandt Aktiengesellschaft declare herewith that, in compliance with section 161 of the German Stock Corporation Act (AktG), the recommendations from the governing commission of the German Corporate Governance Code in the version dated April 28, 2022 – released in the German Federal Gazette on June 27, 2022 (hereinafter also referred to as "GCGC") - were and will be generally adhered to. The recommendations in Sections A.2, B.2 final half-sentence, C.1 and C.4 to C.9, C.10 sentence 1 first and third alternative, C.11 to C.13, E.1, G.1 to G.3, G.7 sentence 1, G.9 sentence 1, G.10, G.11 sentence 2, G.13 sentence 2 and G.16 GCGC were not and are not applied. Since October 24, 2022, the recommendation from B.3 has not been and will not be applied either. Furthermore, the recommendation from A.5, final half-sentence GCGC, was and will not be adhered to until probably December 14, 2023.

Otherwise the deviations from the individual recommendations are based or were based on the following arguments:

### **A.2 GCGC**

Deviations were and are made from Recommendation A.2. For Bertrandt AG, in the interest of the company, the experience, skills and knowledge of the individual were of primary importance when filling management positions. As far as possible, it should be possible to use the potential of applicants or candidates for management positions in the interests of the company in all countries in which the company is active, free of restrictions or discrimination.

### **A.5 final Half Sentence GCGC**

The management report of the Bertrandt AG as of September 30, 2022 includes a description of the main features of the internal control system and the risk management system. The next management report as of September 30, 2023, which is expected to be published on December 14, 2023, will also include a statement on the appropriateness and effectiveness.

## **B.2 final Half Sentence GCGC**

Together with the Management Board, the Supervisory Board ensures long-term succession planning. In order to ensure the effectiveness of the procedure and a reliable confidentiality necessary in the interest of the company, no detailed report shall be made on this.

## **B.3 GCGC**

Section B. 3 of the Code recommends that initial appointments to the Executive Board should be made for a maximum of three years. In order not to exclude per se high-performing external candidates from the pool of candidates who expect a longer period of employment, it should also be possible for new appointments since October 24, 2022 to make full use of the statutory employment period.

## **C.1 and C.4 to C.9, C.10 Sentence 1 first and third alternative, C.11 to C.13 GCGC**

C.1 and C.4 to C.9, C.10 Sentence 1 first and third alternative, C.11 to C.13 GCGC contain various recommendations concerning the composition of the Supervisory Board and the election of Supervisory Board members, for example with respect to their independence.

Elections to the Supervisory Board are conducted in accordance with the relevant statutory provisions. For the Company, the experience, skills and knowledge of the individual were and still are of primary importance when filling the Supervisory Board, as is the case with other management positions in the Company.

The room for maneuver for shareholders and the Supervisory Board should not and should not be restricted by rigid competence profiles, and qualified persons should not be excluded as Supervisory Board members or for certain tasks and functions on the Supervisory Board to the detriment of the Company as a result of recommendations of the Code that restrict appointments.

Moreover, Bertrandt AG's business model is based, among other things, on reliable confidentiality with regard to customers' development processes and innovation cycles as well as on reliable protection of customers' trade secrets; in order to reinforce customers' confidence in these processes of the Company, no representative of a shareholder who is also a customer of the Company sits on the Company's Supervisory Board.

## **E.1 GCGC**

In its Rules of Procedure, the Supervisory Board has independently regulated the handling of conflicts of interest in deviation from the recommendations in E.1 GCGC. The Rules of Procedure require each member of the Supervisory Board to disclose conflicts of interest to the Chairman of the Supervisory Board; the Chairman of the Supervisory Board is obliged to disclose them to his Deputy. These provisions go beyond the recommendations of the GCGC and do not differentiate between whether conflicts of interest are material or temporary, but cover all possible conflicts. In the interest of the company, a waiver of the public treatment of such communications shall allow the members of the Supervisory Board to confidentially discuss even mere apparent cases with the Chairman.

In the opinion of the company, however, the Rules of Rrocedure for the Executive Board complied with the recommendations of E.2 GCGC in the reporting period. The deviation announced in the previous year as a precautionary measure was based solely on the fact that the company does not have a chairperson or spokesperson of the Executive Board.

## **G.1 GCGC**

Bertrandt AG's remuneration system, which was approved by the Annual General Meeting on February 26, 2021, does not specify any target remuneration or relative proportions of fixed and variable remuneration. Nor are any non-financial performance criteria defined. For the Supervisory Board, the described linking of compensation to a key performance indicator of the management of the Group across its various levels is a point that is not insignificant for the functionality of the compensation system. In the compensation system, the Management Board is incentivized by the Bertrandt Group's EBIT resulting from IFRS accounting because this not only underscores the respective strength of the core business but, especially in the multi-year linkage, is also intended to ensure the financial basis for implementing the corporate strategy in the sense of the Company's long-term and sustainable development. For this reason, an annual setting of a specific EBIT target in euros is not used to determine target achievement; instead, the compensation is based on a specific, fixed percentage of the EBIT achieved. There is no fixed weighting of the individual compensation components; it changes annually according to the amount of the variable compensation in relation to the fixed compensation components and the fringe and pension benefits.

## **G.2 GCGC**

The described deviation from G.1 automatically also results in a deviation from G. 2, because a target compensation according to G.1 is assumed here.

## **G.3 GCGC**

The Supervisory Board ensures that the compensation of the Management Board is in line with market practice and reviews this annually. For this purpose, it uses both a horizontal and a vertical comparison. The horizontal comparison takes into account not only the different levels of compensation paid by listed stock corporations in the MDAX, TecDax and SDAX, but also relevant market experience elsewhere. In the vertical comparison, the Supervisory Board takes into account the development of Management Board remuneration compared with the remuneration of senior management and the total workforce of the Bertrandt Group in Germany. A dedicated peer group comparison is not made due to the lack of a sufficient number of listed companies comparable to the Company that offer development solutions for the international automotive and aviation industries as well as the mechanical and plant engineering, energy, medical technology and electrical industries.

## **G.7 Sentence 1 GCGC**

In the compensation system, the Management Board is incentivized by the Bertrandt Group's EBIT resulting from IFRS accounting because this not only underscores the respective strength of the core business but, especially in the multi-year link, is also intended to ensure the financial basis for implementing the corporate strategy in the sense of the Company's long-term and sustainable development. For this reason, an annual definition of a specific EBIT target in euros is not used to determine target achievement; instead, the compensation is based on a specific, fixed percentage of the EBIT achieved.

## **G.9 Sentence 1 GCGC**

The variable, performance-related compensation consists in principle solely of a performance-related bonus linked to the Bertrandt Group's EBIT resulting from IFRS accounting. A separate determination of target achievement by the Supervisory Board is therefore unnecessary.

### **G.10 GCGC**

Share-based compensation is not granted as a compensation component under the compensation system; there is also no obligation to invest in shares. Stock market prices are also known to be subject to a variety of influences that are independent of the development of the Company and any performance of its Management Board. The variable, performance-related compensation consists solely of a performance-related bonus linked to the Bertrandt Group's EBIT resulting from IFRS accounting. The basis for calculating the bonus is the EBIT achieved in each of two consecutive fiscal years. The purpose of this is to remunerate work performed in a way that is comprehensible and results-oriented.

### **G.11 Sentence 2 GCGC**

So-called "clawback" provisions on the recovery of variable compensation already paid, namely in the event of a breach of the duties of an Management Board member, have not been implemented in the compensation system. Although such regulations are widespread in other countries, Bertrandt AG does not see any discernible need for them in view of the statutory liability provisions contained in Section 93 of the German Stock Corporation Act (AktG), the second sentence of which even imposes on the Management Board member the burden of proving that he has exercised the due care and diligence of a prudent and conscientious manager.

### **G.13 Sentence 2 GCGC**

Whether, in the event of a subsequent non-competition clause, the severance payment is to be offset against the non-competition compensation should not be decided in the future as well in the abstract, but in the specific situation in the interests of the company. There were no such decisions in the reporting period.

### **G.16 GCGC**

When assuming non-group Supervisory Board mandates, the Supervisory Board should decide, according to this recommendation, whether and to what extent the remuneration is to be taken into account. The Management Board contracts have so far only contained a reservation of

approval with regard to the “whether” of an activity, but do not regulate a reservation regarding the “how”, which is why the Supervisory Board cannot unilaterally decide on any crediting.

Ehningen, September 25, 2023

The Supervisory Board

Dietmar Bichler  
Chairman

Prof. Dr.- Ing. Wilfried Sihm  
Deputy Chairman

The Management Board

Dr. Andreas Fink  
Member of the Board

Michael Lücke  
Member of the Board

Markus Ruf  
Member of the Board