

# CORPORATE GOVERNANCE STATEMENT PURSUANT TO SECTIONS 289F AND 315D HGB

The corporate governance statement pursuant to section 289f and section 315d of the German Commercial Code (HGB) is part of the combined management report. With the following information, the Management Board and Supervisory Board of KAP AG report on corporate governance in accordance with Principle 22 of the German Corporate Governance Code (GCGC) and on the Company's corporate governance in accordance with section 289f and section 315d HGB.

## PRINCIPLES OF CORPORATE GOVERNANCE AND THE CORPORATE STRUCTURE

Corporate governance comprises all the principles for the management and supervision of an enterprise. In this sense, corporate governance is a key component of KAP's management and sustainability philosophy as an expression of good and responsible corporate management. The principles of corporate governance particularly concern cooperation among the Management Board, the Supervisory Board and between the two boards, and between the boards and the shareholders, particularly in the Annual General Meeting. They also concern our Company's relationship with other people, employees and institutions that have an economic relationship with us.

### Commitment to the German Corporate Governance Code

KAP AG is a listed stock corporation under German law. For KAP AG, the starting point for ensuring responsible management and supervision of the Company that is geared towards sustainable value enhancement – in addition to complying with the relevant legal standards – is the recognition of the German Corporate Governance Code on the basis of its version of 28 April 2022. The Code, which was adopted by the Government Commission on the German Corporate Governance Code, not only reiterates legal requirements on the management and supervision of German listed companies, but also contains nationally and internationally recognised standards of good and responsible corporate governance in the form of recommendations and suggestions.

KAP AG's Management Board and Supervisory Board expressly commit to responsible corporate governance and identify with the Code's objectives. According to the Code's foreword, in the interests of good corporate governance and an active corporate governance culture, this does not preclude non-compliance with Code requirements in individual aspects if the departures from the Code are appropriate due to the specifics of the company.

## 1. DECLARATION PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The Management Board and Supervisory Board of KAP AG have made the declaration of compliance pursuant to section 161 of the German Stock Corporation Act (AktG), which was issued on 20 April 2023, permanently available on KAP AG's website at <https://www.kap.de/en/investor-relations/corporate-governance/compliance-statement>.

Since issuing the last declaration of compliance on 21 April 2022, the Company complied with the recommendations of the German Corporate Governance Code (GCGC) as amended on 16 December 2019, and published in the Federal Gazette (Bundesanzeiger) on 20 March 2020, until the new version of the Code as amended on 28 April 2022 came into force on 27 June 2022, with the following exceptions:

Pursuant to Recommendation D.5 GCGC, the Supervisory Board should form a nomination committee composed exclusively of shareholder representatives, which names suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of members to the Supervisory Board. Due to the number of members of the Supervisory Board (six members) and in view of the fact that the Company's Supervisory Board consists exclusively of shareholder representatives, the Supervisory Board decided against forming a nomination committee. In the Supervisory Board's opinion, the formation of such a nomination committee does not make any contribution towards further increasing the efficiency of the Supervisory

Board's work given the Company's specific situation. The Supervisory Board therefore retains this function within the full Supervisory Board.

Pursuant to Recommendation F.2 GCGC, the consolidated financial statements and group management report should be made publicly accessible within 90 days from the end of the financial year, while mandatory interim financial information should be made publicly accessible within 45 days from the end of the respective reporting period. The consolidated financial statements are not published within 90 days of the end of the financial year, but within four months in accordance with current legal requirements. The interim reports are not published after 45 days, but are published within the legal requirements and the requirements of the Stock Exchange Rules and Regulations of the Frankfurt Stock Exchange. The Company is of the opinion that these requirements are sufficient to provide detailed information to shareholders.

Pursuant to Recommendation G.3 GCGC, the Supervisory Board should use a suitable peer group of third-party entities, the composition of which it should disclose, to assess whether the specific total remuneration of the members of the Management Board is in line with usual levels compared to other enterprises. The Supervisory Board assesses whether the remuneration of the members of the Management Board is appropriate also taking into account the remuneration of the management boards of comparable companies. The Supervisory Board has deliberately refrained from a fixed and static definition of a peer group, as the Supervisory Board is of the opinion that tying remuneration to such a firmly defined peer group may well lead to inappropriate results.

Pursuant to Recommendation G.6 GCGC, the share of variable remuneration achieved as a result of reaching long-term targets should exceed the share from short-term targets. In deviation from the recommendation, the contract with one member of the Management Board provides for equal weighting of short-term and long-term variable remuneration in the event of 100% target achievement in each case. The Supervisory Board also considers equal weighting of the variable remuneration components in the case of a member of the Management Board who is not simultaneously the spokesperson of the Management Board to be a reasonable arrangement that has proven expedient. In the Supervisory Board's view, this current very

minor deviation from the recommendation does not lead to misguided incentives and does not justify any intervention in existing contracts. Corresponding provisions can be taken into account in future contracts with members of the Management Board.

Pursuant to Recommendation G.10 sentence 1 GCGC, the variable remuneration of members of the Management Board should be predominantly invested in Company shares by the respective member of the Management Board or granted predominantly as share-based remuneration. The Company deviated from this recommendation in the case of one contract with a member of the Management Board and will continue to deviate from it. All members of the Management Board receive share-based remuneration. Only in one case, the variable remuneration is not predominantly share-based, but is granted in equal parts in cash and share-based. In the Supervisory Board's view, this current very minor deviation from the recommendation does not lead to misguided incentives and does not justify any intervention in existing contracts. Corresponding provisions can be taken into account in future contracts with members of the Management Board.

Pursuant to Recommendation G.11 GCGC, the Supervisory Board should be permitted to retain or reclaim variable remuneration of the Management Board, if justified. The current contracts do not include any provision under which variable remuneration components can be retained or reclaimed if justified (referred to as "disincentive and clawback clauses"). The Supervisory Board is of the opinion that regulations on retaining or reclaiming variable remuneration components are not necessary in the Company to encourage the members of the Management Board to act diligently, in the long term and sustainably in the interests of the Company. Indeed, the Supervisory Board is not precluded from asserting claims for damages in accordance with section 93 AktG in the event of culpable breach of duty. Corresponding provisions can be taken into account in future contracts with members of the Management Board.

The Management Board and Supervisory Board of KAP AG further declare pursuant to section 161 AktG that the recommendations of the Government Commission on the German Corporate Governance Code as amended on 28 April 2022, published in the official section of the German Federal Gazette on 27 June 2022, have been and are being complied with, with the following exceptions:

Pursuant to Recommendation D.4 GCGC, the Supervisory Board should form a nomination committee composed exclusively of shareholder representatives, which names suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of members to the Supervisory Board. Due to the number of members of the Supervisory Board (six members) and in view of the fact that the Company's Supervisory Board consists exclusively of shareholder representatives, the Supervisory Board decided against forming a nomination committee. In the Supervisory Board's opinion, the formation of such a nomination committee does not make any contribution towards further increasing the efficiency of the Supervisory Board's work given the Company's specific situation. The Supervisory Board therefore retains this function within the full Supervisory Board.

Pursuant to Recommendation F.2 GCGC, the consolidated financial statements and group management report should be made publicly accessible within 90 days from the end of the financial year, while mandatory interim financial information should be made publicly accessible within 45 days from the end of the respective reporting period. The consolidated financial statements are not published within 90 days of the end of the financial year, but within four months in accordance with current legal requirements. The interim reports are not published after 45 days, but are published within the legal requirements and the requirements of the Stock Exchange Rules and Regulations of the Frankfurt Stock Exchange. The Company is of the opinion that these requirements are sufficient to provide detailed information to shareholders.

Pursuant to Recommendation G.3 GCGC, the Supervisory Board should use a suitable peer group of third-party entities, the composition of which it should disclose, to assess whether the specific total remuneration of the members of the Management Board is in line with usual levels compared to other enterprises. The Supervisory Board assesses whether the remuneration of the members of the Management Board is appropriate also taking into account the remuneration of the management boards of comparable companies. The Supervisory Board has deliberately refrained from a fixed and static definition of a peer group, as the Supervisory Board is of the opinion that tying remuneration to such a firmly defined peer group may well lead to inappropriate results.

Pursuant to Recommendation G.6 GCGC, the share of variable remuneration achieved as a result of reaching long-term targets should exceed the share from short-term targets. In deviation from the recommendation, the contract with one member of the Management Board provides for an increased weighting of short-term variable remuneration in the event of 100% target achievement. The Supervisory Board also considers an increased weighting of the short-term variable compensation components for the Management Board to be a reasonable arrangement that has proven expedient. In the Supervisory Board's view, this current very minor deviation from the recommendation does not lead to misguided incentives and does not justify any intervention in existing contracts. Corresponding provisions can be taken into account in future contracts with members of the Management Board.

Pursuant to Recommendation G.10 sentence 1 GCGC, the variable remuneration of members of the Management Board should be predominantly invested in Company shares by the respective member of the Management Board or granted predominantly as share-based remuneration. The Company deviated from this recommendation with respect to the service contracts of the Management Board and will continue to deviate from it. All members of the Management Board receive share-based remuneration. However, the variable compensation is not predominantly share-based, but rather cash-based for the most part. In the Supervisory Board's view, this current very minor deviation from the recommendation does not lead to misguided incentives and does not justify any intervention in existing contracts. Corresponding provisions can be taken into account in future contracts with members of the Management Board.

Pursuant to Recommendation G.11 GCGC, the Supervisory Board should be permitted to retain or reclaim variable remuneration of the Management Board, if justified. One current contract still running until the end of September 2023 for a member of the Management Board does not include any provision under which variable remuneration components can be retained or reclaimed if justified (referred to as "disincentive and clawback clauses"). The Supervisory Board is not precluded from asserting claims for damages in accordance with section 93 AktG in the event of culpable breach of duty. As of 1 October 2023, KAP AG will observe recommendation G.11 GCGC.

## 2. RELEVANT DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES

### 2.1 Compliance management system and Code of Conduct

Economic success, integrity and social responsibility are goals of our Company that cannot be viewed in isolation from each other – whether we or companies controlled by us operate in Germany, Europe or anywhere else in the world. Based on our awareness of the social, environmental and economic organisation of the entire value chain, we meet the challenges of a networked and global economy. Responsible and ethical conduct towards our employees, business partners and shareholders, and towards the environment is an integral part of KAP AG's system of values.

We have pooled the regulations that provide important guidance in a corporate governance culture. As an important component of our Group-wide compliance management system, we have established a dedicated Code of Conduct for our employees, which is accessible at <https://www.kap.de/en/investor-relations/corporate-governance/code-of-conduct>. The code summarises the most important principles of conduct for all employees, including the Management Board, and sets minimum standards for collaboration characterised by respect within our Group and with our business partners.

Compliance refers to compliance with national and international legal requirements and internal rules. We see the compliance system as a Group-wide measure to ensure that we observe laws and regulations as well as internal company policies, and as a key element of corporate governance and the corporate culture that must be observed in every aspect of our daily business in the Group. At the same time, the KAP Group seeks to become aware of any compliance violations to avert possible damage to the Company. We have set up a corresponding whistleblower system that gives employees as well as business partners and other third parties the opportunity to confidentially report, without fear of reprisal, suspected breaches of the law in relation to the Company.

The KAP Group's compliance management system focuses particularly on the areas of anti-corruption and the prevention of bribery. Competition law, sanction and export control, data protection and IT compliance are other relevant topics for the compliance management

system. Implementation of the compliance policies creates the basic prerequisite for our business partners, shareholders and the general public to trust in the KAP Group's performance, system of values and integrity.

We are further developing our compliance management system and endeavour to establish our values and compliance culture even better in the group entities. In the process, we take account of any changes in the law or further-reaching regulatory changes and any identified weaknesses.

We raise our employees' awareness of legally compliant behaviour through training sessions and other training measures. These measures also actively contribute to avoiding the occurrence of potential reputational risks as far as possible. The training sessions are offered as workshops, web-based modules and video content in the relevant national language. Participation in such training is mandatory for our employees and is checked. We will continuously actively develop the KAP Group's compliance management system and pre-emptively examine potential risk areas through regular audits in the future and implement other relevant measures in the Group's entities.

### 2.2 Working practices of the Management Board and Supervisory Board

The German Stock Corporation Act (AktG) is the legal foundation of KAP AG's corporate constitution, which is defined in more detail by the Company's Articles of Association and the German Corporate Governance Code.

#### Management Board

In accordance with statutory requirements, KAP AG is subject to a dual governance system. This is characterised by a strict separation of personnel between the Management Board as the management body and the Supervisory Board as the supervision body. The Management Board and Supervisory Board work closely together in the interests of the Company.

The Management Board manages KAP AG on its own responsibility and conducts KAP AG's business. The members of the Management Board conduct the Company's business jointly in accordance with the law, the Articles of Association and the rules of procedure issued by the Supervisory Board. The rules of procedure

for the Management Board issued by the Supervisory Board set out the responsibilities in the Management Board and define the work of the committees in more detail. The rules of procedure also set out which Management Board decisions require the Supervisory Board's consent.

The Management Board's tasks include regular coordination of the Group's strategic direction with the Supervisory Board, implementation of the strategic direction and the exchange information on the implementation status with the Supervisory Board at regular intervals. The Management Board regularly, promptly and comprehensively informs the Supervisory Board of all issues relevant to the Group regarding the Group's business development, cash flows and financial performance, planning and target achievement, the risk situation and risk management. Where the Group's business development diverges from the plans and targets drawn up, this is explained and justified in detail. The Management Board's reporting also covers compliance topics, i.e. measures for compliance with legal requirements and internal policies.

The Management Board receives the information needed for corporate governance and decision-making through monthly financial reports from the segments and regular talks with the segment managers and the managing directors of the operating units, as well as on visits to sites in Germany and abroad. Where the Group's business development diverges from previously drawn up plans and targets, this is explained and justified to the Supervisory Board in detail and discussed together with the Supervisory Board. The Management Board's actions and its decisions are guided by the Company's interests. It is committed to the aim of sustainably increasing the value of the Company. The members of the Management Board are jointly accountable for the entire management. They work together in a spirit of collaboration and inform each other about important measures and events in their areas of responsibility on an ongoing basis.

Members of the Management Board are subject to comprehensive non-compete clauses throughout the duration of their work for the Company. They take on additional employment, particularly mandates

on supervisory boards of companies that are not affiliated entities of KAP AG, only with the consent of the Supervisory Board. Each member of the Management Board is obliged to disclose any conflict of interest to the chair of the Supervisory Board and to inform the other member of the Management Board without delay. In the 2022 financial year, the members of KAP AG's Management Board did not have any conflicts of interest.

When making appointments to executive positions in the Group, the Management Board considers diversity and strives in particular to ensure appropriate consideration is given to women. The members of the Management Board should generally not be older than 63.

In the reporting year, KAP AG's Management Board consisted of Mr Eckehard Forberich (Spokesman of the Management Board) and Mr Marten Julius (CFO). Mr Forberich was responsible for strategy, business development, M&A and human resources. Mr Julius was responsible for finance, controlling, investor relations and corporate communications, IT as well as legal and compliance.

#### Long-term succession planning for the Management Board

Together with the Management Board, the Supervisory Board ensures that there is long-term succession planning. To this end, the members of the Supervisory Board regularly discuss the topic of succession planning in plenary session taking account of the current appointment durations, the work of the members of the Management Board, the diversity strategy and the strategic direction. In addition, the Supervisory Board regularly communicates with the Management Board about suitable internal candidates and, where necessary, advises on potential external candidates.

#### Supervisory Board

The Supervisory Board has set out its working practices in rules of procedure, which govern, among other things, the conduct of the meetings and the adoption of resolutions on business transactions requiring approval. The Supervisory Board currently consists of six members. It appoints the Management Board and advises it on the management of the Company, monitors its management and sets the remuneration of the members of the

Management Board. The Supervisory Board's tasks are regulated not only by statutory requirements, but also by the Articles of Association and by the rules of procedure. Detailed information on the Supervisory Board's work in the reporting year can be found in the report of the Supervisory Board in the 2022 Annual Report. The rules of procedure are available on <https://www.kap.de/en/company/boards-1/supervisory-board>.

The collaboration between the Supervisory Board and Management Board is in a spirit of mutual trust and based on regular exchange of information. Outside of the Supervisory Board meetings prescribed by law, the Supervisory Board is regularly provided with figures, and important developments and incidents are discussed by phone between the meetings. Additional information on the collaboration between the Management Board and Supervisory Board can be found in the report of the Supervisory Board.

The Supervisory Board must be composed such that its members collectively possess the knowledge, skills and professional expertise required to properly perform their duties. The members of the Supervisory Board should not be members of governing bodies of, or exercise advisory functions at, significant competitors of the Company. No more than two former members of the Management Board should be members of the Supervisory Board. One former member of the Management Board has been elected to the Supervisory Board. Each member of the Supervisory Board ensures that they have sufficient time available to carry out their Supervisory Board mandate. Every member of the Supervisory Board is obliged to act in the best interests of the Company and must not pursue personal interests in their decision-making nor exploit for themselves business opportunities to which the Group is entitled. A member of the Supervisory Board must disclose any conflict of interest. The member is excluded from the decision-making at meetings of the Supervisory Board at which the matter presenting a conflict of interest is discussed.

The Supervisory Board has set targets for its composition that are taken into account in proposing resolutions to the Annual General Meeting:

- At least half the members of the Supervisory Board should be independent, i.e. in particular not have any personal or business relationship with the Company, its Management Board or a controlling shareholder.
- An age limit of 75 years is taken into account for members of the Supervisory Board. It is only permitted to deviate from this limit in justified individual cases.
- The standard limit for the length of service of members of the Supervisory Board is four terms of office or a total of twelve years.
- When selecting candidates for election as members of the Supervisory Board, diversity is taken into account if the candidates are equally qualified.

The last adjustment of the objectives was made in March 2022.

The Supervisory Board followed the recommendation of the German Corporate Governance Code and in addition to the objectives for its composition also prepared a profile of skills and expertise for the entire Board. The objectives and the profile together form the diversity strategy pursuant to section 289f (2) 6 and section 315d of the German Commercial Code (HGB).

The Supervisory Board takes into account the objectives for the composition and the requirements set out in the profile of skills and expertise as part of the selection process and the nomination of candidates for the Supervisory Board. In preparing the election proposals for the shareholder representatives to be elected by the Annual General Meeting in 2022, the Supervisory Board took account of the objectives, including the profile of skills and expertise. In the opinion of the Supervisory Board, its current composition satisfies the composition targets and covers the profile of skills and expertise. The members of the Supervisory Board possess the professional and personal qualifications deemed necessary. The overall current composition of the Supervisory Board meets the objectives for the composition of the Supervisory Board.

The status of implementation of the profile of skills and expertise is disclosed below in the form of a qualification matrix.

**Qualification matrix**

	Christian Schmitz	Christoph Schoeller	Dr Markus Adams	Roy Bachmann	Viktor Rehart	Uwe Stahmer
<b>Personal suitability</b>						
Independence <sup>1</sup>		•	•			•
No overboarding <sup>1</sup>	•	•	•	•	•	•
<b>Diversity</b>						
Date of birth	1975	1961	1963	1977	1994	1964
Gender	male	male	male	male	male	male
Nationality	German	Austrian	German	German	German	German
<b>Fields of expertise</b>						
Management or supervision of medium-sized and listed companies	•	•	•			•
Corporate experience in an international setting	•	•	•	•	•	•
Understanding of the Company's strategy	•	•	•	•	•	•
In-depth knowledge of the Company's business models and key business segments	•	•	•	•	•	•
Knowledge of relevant regulatory requirements and experience in risk management, compliance and corporate governance	•	•	•	•		•
Expertise in the fields of accounting and auditing <sup>2</sup>	•		•	•		•
Experience in supervisory and committee work	•	•	•	•	•	•
Experience in M&A processes	•	•	•	•	•	•
Experience with value creation in various value chains			•	•	•	•
Expertise on sustainability issues of importance to the Company		•	•			•

<sup>1</sup> Within the meaning of the GCGC.

<sup>2</sup> Within the meaning of section 100 (5) AktG and Recommendation D.3 GCGC.

• Criterion met, based on a self-assessment by the Supervisory Board. One point indicates at least "good knowledge" and thus the ability to understand the relevant issues well and make informed decisions on the basis of existing qualifications, the knowledge and experience acquired in the course of work as a member of the Supervisory Board (for example, many years of service on the audit committee) or the training measures regularly attended by all members of the Supervisory Board.

At the Annual General Meeting on 31 August 2022, Christian Schmitz, Uwe Stahmer, Roy Bachmann, Viktor Rehart, Christoph Schoeller and Dr Markus Adams were elected to the Supervisory Board. All mandates terminate upon the end of the Annual General Meeting that passes the resolution on the formal approval of the Supervisory Board's actions for the 2026 financial year. In the reporting year, the Supervisory Board elected Mr Christian Schmitz as Chairman of the Supervisory Board and Mr Christoph Schoeller as its Deputy Chairman.

As of the reporting date 31 December 2022, the Supervisory Board comprised Mr Christian Schmitz (Chairman), Mr Christoph Schoeller (Deputy Chairman), Mr Roy Bachmann, Mr Uwe Stahmer, Mr Viktor Rehart and Dr Markus Adams.

In the Supervisory Board's assessment, taking into account the Company's ownership structure, the Supervisory Board has an appropriate number of independent members if at least 50% of the members of the Supervisory Board are independent of the Company within the meaning of C.6 sentence 2 of the Code. At present, three members of the Supervisory Board satisfy the independence criterion, namely Christoph Schoeller, Uwe Stahmer and Dr Markus Adams.

The Supervisory Board has formed an audit committee. As of 31 December 2022, the audit committee comprised the following members: Uwe Stahmer (Chairman), Christoph Schoeller and Christian Schmitz. As a whole, the members of the audit committee are familiar with the sector in which the Company operates. In particular, the committee monitors the accounting, the financial reporting process, sustainability reporting, the effectiveness of the internal control system, the risk management system, the internal audit system and the audit of the financial statements. The Supervisory Board and its audit committee each comprise at least one member with accounting expertise, Mr Schmitz, and at least one further member with auditing expertise, the Chairman of the audit committee, Uwe Stahmer. According to the Code, the chairman of the audit committee should be have appropriate expertise in at least one of the two fields and be independent. The audit committee's Chairman, Uwe Stahmer, satisfies these requirements.

In his professional career, Uwe Stahmer served as Chief Financial Officer for many years and therefore brings special knowledge and experience in the application of accounting standards and internal control and risk management systems, including sustainability reporting. His activities also include dealing with and reporting on non-financial aspects. As a former Chief Financial Officer, Uwe Stahmer has in-depth knowledge of sustainability reporting requirements and current developments in this area. At the same time, due to the aforementioned activities, he also has special knowledge and experience in auditing. Furthermore, Mr Uwe Stahmer is independent.

Christian Schmitz has special knowledge and experience in the application of accounting standards and internal control and risk management systems due to his many years working for large international investment banks as well as his current position as managing director of an internationally active private equity company – The Carlyle Group – and the associated management of financial investments. His expertise also covers sustainability reporting and auditing. As Chairman of the Supervisory Board, he does not chair the audit committee.

An efficiency audit of the Supervisory Board's work was last conducted in 2021 with the aid of external consultancy, an evaluation questionnaire to be completed and structured interviews with each member of the Supervisory Board and the Management Board.

The members of the Supervisory Board are responsible for obtaining any training or professional development measures necessary to fulfil their duties, such as on changes in legal framework conditions, and are supported by the Company in this. Internal information events are offered as required for targeted training. New members of the Supervisory Board can meet the members of the Management Board and specialist managers to talk about fundamental and current topics and thus obtain an overview of the relevant topics regarding the business (onboarding).

### Disclosures on the setting of targets for the proportion of women

In accordance with section 111 (5) of the German Stock Corporation Act (AktG), the Supervisory Board has set itself the target of having women occupy at least 30% of its seats and has set a deadline of 31 December 2023 for reaching this target. The target for the proportion of women on the Management Board was set by the Supervisory Board at 30% when there are three or more members of the Management Board. This applies from March 2022. There are no management levels below the Management Board at KAP AG for which disclosures would need to be made pursuant to section 76 (4) AktG.

The report of the Supervisory Board in the 2022 Annual Report describes the work of the Supervisory Board and its committees in the past financial year.

## ADDITIONAL DISCLOSURES ON CORPORATE GOVERNANCE

### 1. REMUNERATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The applicable remuneration system for the Management Board pursuant to section 87a (1) and (2) sentence 1 of the German Stock Corporation Act (AktG) and the last remuneration resolution on the remuneration of the Supervisory Board pursuant to section 113 (3) AktG are accessible to the public on the Company's website at <https://www.kap.de/en/investor-relations/general-meeting/agenda-documents>. The remuneration report and the audit report pursuant to section 162 AktG are accessible to the public at <https://www.kap.de/en/investor-relations/reports-amp-presentations/financial-reports>.

### 2. SHAREHOLDERS AND TRANSPARENCY

The prompt and consistent provision of information to the public is an important element of good corporate governance for KAP AG. According to Art. 17 MAR, KAP AG is required to publicly disclose inside information that directly concerns it immediately. Where there was an obligation to publish an ad hoc disclosure, the disclosures were ensured in accordance with the legal requirements and with the assistance of a specialist service provider. No ad hoc disclosures were published in the 2022 financial year.

Persons discharging managerial responsibilities at KAP AG (the issuer), as well as persons closely associated with them, are required under Art. 19 (1) MAR to notify the German Federal Financial Supervisory Authority (BaFin) and the issuer of any transactions conducted on their own account, i.e. transactions with financial instruments of the issuer, if the limit of €20,000 is exceeded within the calendar year.

KAP AG publishes a financial calendar in which relevant dates are entered in a timely manner in the Investor Relations section of its website [www.kap.de/en](http://www.kap.de/en). Moreover, all IR releases, press releases and ad hoc disclosures as well as directors' dealings disclosures and voting rights notifications are available online at [www.kap.de/en/investor-relations](http://www.kap.de/en/investor-relations).

Shareholders exercise their rights at the Annual General Meeting. In the 2022 financial year, the Annual General Meeting was held as a virtual event within the bounds of legal requirements due to the COVID-19 pandemic.

### 3. RISK MANAGEMENT, COMPLIANCE, ACCOUNTING, AUDITING

We consider handling risks responsibly to be an important element of good corporate governance. KAP AG has a systematic risk management system that enables the Management Board to respond immediately to relevant changes in the risk profile and to identify market trends at an early stage. The annual audit covers the proper functioning of the early risk warning system. A detailed presentation is available in the group management report in the 2022 Annual Report.

Compliance with national and international legal and ethical principles in business dealings is an integral component of KAP AG's corporate culture. These include principles such as honesty and integrity towards our customers, suppliers, employees, shareholders and the public.

The Supervisory Board engaged Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, with registered office in Hamburg, as the auditor for the 2022 financial year. It had previously made sure that the existing relations between the auditor and KAP AG and its boards do not give reason for any doubt regarding the auditor's independence. Furthermore, it is agreed that the Supervisory Board will be immediately informed of any grounds for disqualifying the auditors or questioning their impartiality occurring during the audit.

### 4. FUTURE DEVELOPMENTS OF THE GROUP'S CORPORATE GOVERNANCE

We see corporate governance as an ongoing process, the development of which we will continue to monitor closely in the future.

KAP AG

Fulda, 20 April 2023

The Management Board  
The Supervisory Board