Declaration on corporate governance

Declaration of the Management Board and Supervisory Board of PVA TePla AG on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)

As set out and explained in more detail in the Declaration of Conformity of March 2024, the company has not complied with recommendations C.5, C.7, D.4, G.6, G.7, G.10, G.11, G.12 of the "Government Commission on the German Corporate Governance Code" in the version dated April 28, 2022, which was published in the Federal Gazette on June 27, 2022 ("GCGC") (essentially composition of the Supervisory Board, Nomination Committee and remuneration) with the proviso that the deviation from C.5 and D.4, as communicated in the update of the Declaration of Conformity in September 2024, no longer applies.

The company intends to comply with the recommendations of the GCGC in future with the deviations described below:

- Section A.5 of the Code stipulates that the management report should describe the main features of the overall internal control system and the risk management system and comment on the appropriateness and effectiveness of these systems.
  There is uncertainty as to whether the statement submitted by the Management Board fully complies with the requirement of A.5 of the GCGC, which states that a statement should be made on the appropriateness and effectiveness of the entire internal control and risk management system. For this reason, a deviation from A.5. of the GCGC is declared as a precautionary measure.

- Under G.1 to G.16, the Code provides certain recommendations for the remuneration of the Executive Board. At the Annual General Meeting on August 30, 2024, a new remuneration system was adopted with effect from January 1, 2025. Since January 1, 2025, the company has complied with all recommendations on Management Board remuneration with the exception of the remuneration of Mr Höfer, whose Management Board service contract dates back to the time before the first remuneration system was introduced. Mr. Höfer will leave the Executive Board when his contract expires at the end of June 2025.

Wettenberg, March 2025

for the Management Board:

Jalin Ketter
Chairwoman of the Executive Board

for the Supervisory Board:

Dr. Myriam Jahn
Chairwoman of the Supervisory Board

Disclosures on corporate governance practices

The PVA TePla Group is a listed, internationally active group based in Wettenberg (Germany) and has a dual management system. For this reason, the German Stock Corporation Act, our Articles of Association, the rules of procedure for the Management Board and Supervisory Board and the company-specific requirements of the German Corporate Governance Code (GCGC) form the basis for the division of responsibilities between the Management Board and Supervisory Board and the organization of the management and monitoring structure within the Group. We base our business activities on Group-wide standards that go beyond the requirements of the law and the GCGC. These also include trust, respect and integrity in our dealings with one another.

Risk and opportunity management and ICS

The principles of responsible corporate governance include a continuous and forward-looking assessment of risks and opportunities, which is aimed at achieving a balance between growth and return targets and the associated risks. The system is designed in such a way that it complies with the relevant legal requirements and the relevant industry standards. The Management Board members and managing directors are responsible for central tasks within the risk management system. A "risk manual" with procedural instructions for proper and forward-looking risk management is available to the managing directors and employees for this purpose. The manual regulates the specific processes in risk management. It is aimed at the entirety of all risk-related activities and measures, i.e. the identification, assessment, management, reporting and monitoring of risks.

The aim of the internal control system (ICS) for the accounting process is to ensure the reliability of external reporting by preparing financial statements that comply with regulations. To monitor the effectiveness of the ICS, regular reviews of accounting-related processes are carried out using internal controls. The Audit Committee of the Supervisory Board also monitors the effectiveness of the system.

Detailed information on the risk and opportunity management system and the ICS of the PVA TePla Group be found in the combined management and Group management report and on the website: https://www.pvatepla.com/PVATePla_2023_DE.pdf.

Compliance & Code of Conduct

For PVA TePla, responsible and legally compliant behavior is an indispensable prerequisite for sustainably successful business activities. Therefore, the primary objective of our Compliance Management System (CMS) is to ensure the lawful conduct of companies, management bodies and employees with regard to legal and internal company regulations and prohibitions and to prevent violations. Compliance management is based on the currently published Code of Conduct. This describes risks in business activities and provides specific recommendations for conduct. The Code of Conduct is binding for all PVA TePla Group employees worldwide.

Other key components of our CMS are preventive measures to prevent compliance violations, mechanisms for the early detection of potential violations and clear processes for responding to and remedying compliance violations. We attach great importance to raising awareness among our employees to ensure that they are familiar with the applicable rules and actively support compliance with them. Examples of measures in our CMS include training on compliance issues, the establishment of a whistleblower system for anonymous reporting of violations, internal audits to check compliance with guidelines and procedures and clear sanction mechanisms in the event of misconduct. Our CMS is continuously reviewed by the Risk & Compliance Data Protection department and adapted to new business-specific risks and changing legal requirements. Findings from compliance risk management are incorporated into the further development of the system. In this way, we ensure that our CMS is always effective and appropriate in order to maintain the integrity and ethical standards of our company.

In addition, the example set by managers, open and fair communication at and between all levels in the company and close and cooperative partnerships with customers and suppliers are important prerequisites for our business activities. At the same time, we also expect our suppliers and business partners

to share our attitude towards integrity and sustainability.

An electronic whistleblower system makes it possible to report suspected white-collar crime or violations of compliance regulations. The PVA TePla Group aims to completely avoid corruption and bribery (including conflicts of interest, money laundering, etc.) in order to strengthen a compliant and ethical working environment in which risks can be identified and prevented in advance.

Sustainable corporate governance

The PVA TePla Group aims to operate sustainably and responsibly in all areas of the company. For us, this means respecting the law, conserving resources, promoting climate protection and fulfilling our responsibility to employees and society. We consider environmental, social and governance aspects not only in our sustainability strategy, but also in our corporate orientation and operational decisions, based on our self-image and the conviction that sustainable and responsible business practices increase the Group's capacity for innovation and future viability.

Further information on the topic of "Sustainable corporate governance" can be found in the "Sustainability" section of the combined management and Group management report 2023 and in the combined non-financial statement on pages 33 - 55: https://www.pvatepla.com/PVATePla_2023_DE.pdf.

Working methods of the Management Board and Supervisory Board as well as the composition and working methods of its committees

As a stock corporation domiciled in Germany, PVA TePla AG is managed in accordance with the management and supervisory structure prescribed by law. The Management Board is responsible for managing the company and determines its strategic direction. The Supervisory Board monitors and advises the Management Board and is directly involved in decisions of fundamental importance to the company. It appoints and dismisses the members of the Management Board, decides on the remuneration system for the members of the Management Board, which is submitted to the Annual General Meeting for approval in accordance with Section 120a AktG, and determines their respective total remuneration. The Supervisory Board and Management Board work together closely and in a spirit of trust for the benefit of the company and for sustainable value creation. Their common goal is to secure and further expand the PVA TePla Group's leading market positions in the long term in order to benefit sustainably from growing end markets.

Certain decisions require the approval of the Supervisory Board in accordance with the rules of procedure of the Management Board.

Board of Directors and its composition

The Management Board jointly manages the operating business. As at the balance sheet date (December 31, 2024), it consisted of two members, Jalin Ketter (CEO) and Oliver Höfer (COO). Carl Markus Groß (CFO) has also been a member of the Executive Board since January 1, 2025. Following the departure of Oliver Höfer (COO) at the end of the 2025 Annual General Meeting, the Management Board will once again consist of two members: Jalin Ketter (CEO) and Carl Markus Groß (CFO).

Management Board
(valid 1.1.2025)

Name	Position	First order	Ordered until
Jalin Ketter	CEO	30.06.2020	30.06.2028
Carl Markus Groß	CFO	01.01.2025	31.12.2028
Oliver Höfer	COO	01.12.2013	24.06.2025

Irrespective of the statutory overall responsibility of the Executive Board and the duty of its members to work closely together in a spirit of trust, the areas of responsibility of the individual Executive Board members are allocated as follows in accordance with the current schedule of responsibilities dated December 11, 2023:

CEO **Jalin Ketter** coordinates the work of the Management Board and is also responsible for Strategic Planning including M&A, Human Resources, Marketing and Research & Development (R&D) within the PVA TePla Group.
Carl Markus Groß is responsible for Finance, Legal and Information Technology.
Oliver Höfer coordinates the areas of procurement, production and sales.

The members of the Management Board are closely involved in operational activities. In view of the small number of Executive Board members, no Executive Board committees have been established. Irrespective of the overall responsibility of the Management Board, each member of the Management Board manages the business area assigned to them by the rules of procedure independently. A detailed description of responsibilities can be found in the schedule of responsibilities in the rules of procedure for the Management Board, which can be downloaded from the Investor Relations/Corporate Governance section of the company's website.

The age limit for the Management Board is 65 and is set out in the rules of procedure for the Management Board.

The remuneration report for the 2024 financial year and the auditor's report in accordance with Section 162 AktG, and the applicable remuneration system approved by the Annual General Meeting on August 30, 2024 in accordance with Section 87a (1) and (2) sentence 1 AktG are publicly available at PVA TePla AG | Corporate Governance.

Working methods of the Executive Board

The Management Board of PVA TePla AG determines the corporate objectives, strategic orientation, corporate policy and Group organization. In particular, this includes the management of the Group, including its financial resources, the coordination and monitoring of the divisions, personnel planning and the presentation of the company to the capital market and the public.

In accordance with the Executive Board's rules of procedure and schedule of responsibilities, the Chairwoman of the Executive Board is responsible in particular for managing and coordinating the Group Executive Board. She represents the company and the Group vis-à-vis third parties and the workforce in matters that do not only affect parts of the company or the Group. In addition, she has special responsibility for certain areas of responsibility in accordance with the schedule of responsibilities and the strategic development of the company.

Resolutions of the Executive Board are passed in meetings. Board meetings are chaired by the Chairwoman of the Board of Directors. Any member of the Board of Directors may request that a meeting be convened, stating the subject of the meeting. The full Board of Directors decides by resolution with a simple majority of the participating members. In the event of a tie, the Chairwoman of the Management Board has the casting vote. The aforementioned casting vote only applies if the Management Board consists of more than two members. If the Management Board consists of only two members, the proposed resolution must be submitted to the Chairman of the Supervisory Board for mediation in the event of a tie.

The rules of procedure of the Management Board also provide for a catalog of measures that require discussion and decision-making by the entire Management Board, such as the determination of the corporate objectives of the company and the Group. There is also a catalog of business transactions that require the approval of the Supervisory Board. These include the adoption of the annual corporate plan, the raising of bonds or financial loans as well as transactions and measures that lead to a significant change in the company's development. Board meetings are also held regularly and are also attended by the managing directors of the subsidiaries.

The Management Board reports to the Supervisory Board regularly, promptly and comprehensively on all key issues relating to business development, corporate strategy and potential risks.

Long-term succession planning for the Management Board and diversity concept

It is very important for PVA TePla to fill the Management Board with suitable candidates. Following the generational change in the Management Board, the Supervisory Board is also pursuing long-term succession planning. In doing so, the Nomination Committee is guided by the requirements and skills profile that has been drawn up, which is regularly reviewed and adjusted.

In the course of succession planning, the Supervisory Board and Management Board will also consider potential internal candidates for the Management Board.

When considering which personalities would best complement the Management Board as a body, the Supervisory Board also takes diversity into account as part of its long-term succession planning. The Supervisory Board understands diversity as a consideration in particular to mean different, complementary professional profiles, professional, educational and life experience, including international , age and an appropriate representation of both genders.

Irrespective of individual criteria, the Supervisory Board is convinced that ultimately only the holistic assessment of the individual personality can be decisive for an appointment to the Management Board of PVA TePla AG. The Supervisory Board considers the following criteria to be essential for the Management Board as a whole:

- Many years of management experience in scientific, technical and commercial fields of work
- International experience due to origin and/or professional activity
- A balanced age structure to ensure continuity in the work of the Board of Directors and enable smooth succession planning

Together with the Management Board, potential succession issues are identified and an action plan is adopted for the specific individual case. The Supervisory Board considers the following aspects in particular:

- Early identification of suitable candidates from different disciplines and of different genders
- Systematic development of managers through the successful assumption of tasks with increasing responsibility, preferably in different businesses, regions and functions
- Proven, successful strategic and operational drive and leadership, especially under challenging business conditions

The Supervisory Board fills Management Board positions based in particular on the professional and personal suitability of the candidates. In the case of equal suitability, the Supervisory Board will take diversity into account and also pay attention to the proportion of women. When appointing members of the Management Board, the Supervisory Board will therefore not only ensure that the persons appointed have the personal and professional qualifications and experience required to perform the office. It will also strive to ensure that the members of the Management Board are characterized by a diversity of opinions and experience. At present, the Management Board has two male and one female member. The proportion of women on the Management Board is therefore 33%. A target of 30% has currently been defined for the proportion of women on the Management Board by December 31, 2026.

Composition of the Supervisory Board

In accordance with the Articles of Association, the Supervisory Board of PVA TePla AG consists of four

members. Until the election or appointment of the fourth member, the Supervisory Board currently (February 2025) consists of three members. The Supervisory Board elects a Chairperson and a Deputy Chairperson from among its members. The Chairwoman of the Supervisory Board convenes and chairs the meetings of the Supervisory Board. If she is unable to attend, her deputy takes on this task. The Supervisory Board has adopted rules of procedure. They define the tasks, rights and duties of the Supervisory Board, the organization of meetings and resolutions and the formation of committees. The Chairwoman of the Supervisory Board is generally prepared to hold discussions with investors on topics specific to the Supervisory Board, but only insofar as these take place within an appropriate framework and the topics fall within the sole competence of the Supervisory Board.

- Dr. Myriam Jahn, Chairwoman of the Supervisory Board, German nationality, * 1968
- Christoph Seidel, Deputy Chairman of the Supervisory Board, German nationality, * 1968
- Prof. Dr. Gernot Hebestreit, German nationality, * 1963

Dr. Myriam Jahn has been a member of the Supervisory Board since 2023 (appointed until 2025), **Christoph von Seidel** since 2024 (appointed until 2029) and **Prof. Dr. Gernot Hebestreit** since 2008 (appointed until 2025). When appointing them, the targets set by the Supervisory Board for its composition and the diversity concept were taken into account. They have industry expertise in semiconductor equipment and mechanical engineering as well as expertise in the areas of digitalization, ESG, sales and personnel management/human resources and thus contribute to filling out the skills profile developed by the Supervisory Board for the entire Board.

Information on other mandates held by Supervisory Board members is available at https://www.pvatepla.com/management/ . The remuneration of Supervisory Board members is reported in the separate remuneration report, which can be found in the Investor Relations/Corporate Governance section of our website.

Working methods of the Supervisory Board

The Supervisory Board has the task of advising and monitoring the Management Board in the management of PVA TePla AG. It has adopted rules of procedure. The rules of procedure for the Supervisory Board are available on the company's website in the Investor Relations/Corporate Governance section.

The Chairperson of the Supervisory Board is by its members. The Supervisory Board consults regularly. It carries out its activities in accordance with the statutory provisions, the articles of association, its rules of procedure and its resolutions. In accordance with the statutory provisions, the Supervisory Board monitors the Executive Board in the performance of its activities and the management of the company. In particular, it accompanies the Management Board in critical discussions on fundamental issues relating to the company's direction. These include, in particular, the annual corporate planning and the preparation of the financial statements, but also fundamental issues relating to the strategic direction and further development of the company. The Supervisory Board also reports on the scope of its work in its report to the Annual General Meeting.

The Supervisory Board is informed in detail about the company's economic situation and business performance at four ordinary meetings a year. The Supervisory Board also holds extraordinary meetings in the event of special external or internal events. The meetings of the Supervisory Board are convened by the Chairman or, if he is unable to do so, by his deputy, giving at least seven days' notice, except in urgent cases in which the notice period may be shortened. Resolutions of the Supervisory Board are passed by a simple majority of votes. If a vote in the Supervisory Board results in a tie, the Chairperson of the Supervisory Board shall have two votes in the event of a new vote on the same matter, if this also results in a tie. The Management Board attends the meetings of the Supervisory Board as required and reports in writing and orally on the individual agenda items and draft resolutions and answers the questions of the Supervisory Board members. Reports with explanations of key corporate financial and non-financial figures from the Management Board provide the Supervisory Board with an insight into the course of business. In addition to the meetings and reports, the members of the Supervisory Board keep themselves informed in regular discussions with the Management Board.

At regular intervals, the Supervisory Board reviews the efficiency of its work by interviewing the members of the Supervisory and Management Boards using a structured questionnaire.

Committees of the Supervisory Board

The Supervisory Board of PVA TePla AG has formed two committees: an Audit Committee and a Personnel and Nomination Committee. The Supervisory Board may also form further committees from among its members.

The **Audit Committee** has three members and deals in particular with the audit of accounting, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system as well as the audit of the financial statements and compliance. In particular, the accounting comprises the consolidated financial statements and the combined management and Group management report (including non-financial reporting), interim financial reports and the separate financial statements in accordance with the German Commercial Code (HGB). The Chairman of the Audit Committee is Christoph von Seidel. He fulfills the statutory requirements for independence and expertise in the areas of accounting and auditing. Prof. Dr. Gernot Hebestreit also meets the requirements in the areas of accounting and auditing. Another member of the Audit Committee is Dr. Myriam Jahn.

The **Personnel and Nomination Committee** has three members, including Dr. Myriam Jahn as Chairwoman. It makes election proposals to the full Supervisory Board in the event of new appointments to executive bodies and deals with succession planning for positions on the Supervisory Board. The committee deals with issues relating to remuneration and the conclusion, amendment, extension and termination of employment contracts for members of the Management Board.

Diversity concept for the Supervisory Board

The Supervisory Board of PVA TePla AG, which currently of three members, aims to achieve a composition of the Supervisory Board that takes into account the following elements in view of the company's specific situation, its business purpose and its size:

On the shareholder side, all persons without potential conflicts of interest should represented on the Supervisory Board, in particular without such conflicts of interest that may arise due to a consultancy or board function with customers, suppliers, lenders or other third parties.

The Supervisory Board will continue to pay attention to diversity in the form of age, educational and professional background, internationality and the proportion of women when proposing candidates to the Annual General Meeting.

Competence profile of the Supervisory Board

The Supervisory Board has adopted a comprehensive requirements profile for its composition, which includes both the skills profile required by the German Corporate Governance Code (GCGC) and the diversity concept required in accordance with Section 289f (2) no. 6 HGB. The requirements profile is available on our website in the Investor Relations/ Corporate Governance section.

Based on the objectives for its composition, the Supervisory Board has prepared the following overview of the current status of implementation in the form of a qualification matrix:

Competence requirements	Dr. Myriam Jahn	Christoph von Seidel	Prof. Dr. Gernot Hebestreit
Period of affiliation			
Member since	2023	2024	2008
General suitability			
Independence	Fulfilled	Fulfilled	Fulfilled
No overboarding	Fulfilled	Fulfilled	Fulfilled
Diversity			
Gender	Female	Male	Male
Year of birth (age)	1968 (57 years)	1968 (57 years)	1963 (62 years)
Nationality	German	German	German
International experience	Fulfilled	Fulfilled	Fulfilled
Educational background	Electrical engineering, business administration, computer science	Business administration	Business administration

Technical knowledge

Diversity

The Management Board and Supervisory Board of PVA TePla AG rely on the diversity and variety of its employees. For the PVA TePla Group, they form the basis of an efficient and successful company. Our activities aim to bring together the right people to tackle our challenges and create a working culture that promotes the performance, motivation and satisfaction of our employees and managers.

Management level below the Executive Board

Below the Management Board in the PVA TePla AG holding company, there is a management level whose members have been appointed as authorized signatories. In May 2023, a target of 30% was set for the proportion of women in this management level, which is currently achieved at 50%. The company aims to at least maintain this target by December 31, 2026.[1]

Management Board

The Supervisory Board fills Management Board positions based in particular on the professional and personal suitability of the candidates. In the case of equal suitability, the Supervisory Board will take diversity into account and also pay attention to the proportion of women. When appointing members of the Management Board, the Supervisory Board will therefore not only ensure that the persons appointed have the personal and professional qualifications and experience required to perform the office. It will also strive to ensure that the members of the Management Board are characterized by a diversity of opinions and experience.

At the present time (February 2025), the Management Board has two male and one female member. The proportion of women on the Management Board is therefore . A target of 30% has currently been defined for the proportion of women on the Management Board by December 31, 2026

Supervisory Board

The Supervisory Board currently consists of two male members and one female member. The target for the proportion of women on the Supervisory Board is defined as by December 31, 2026, which is currently 33%. With regard to the issue of gender equality, the Supervisory Board is guided in its proposals for the election of new Supervisory Board members to the Annual General Meeting in particular by the professional and personal suitability of the candidates. In the event of equal suitability, the Supervisory Board will take diversity into account.

[1] As part of our sustainability reporting, we report on the proportion of women in the first and second management levels of the Group, i.e. including all Group companies.