Corporate Governance Statement

The combined corporate governance declaration of PVA TePla AG and the Group pursuant to Section 289f HGB and Section 315d HGB includes the declaration of compliance with the German Corporate Governance Code ("GCGC") pursuant to Section161 AktG, relevant disclosures on corporate governance practices, the description of the working methods of the Management Board and the Supervisory Board as well as their composition and the working methods of committees of the Supervisory Board, the target definition pursuant to Section 76 (4) and Section 111 (5) AktG and the disclosures on the achievement of the target values including the description of the diversity concept.

Declaration of compliance with the recommendations of the German Corporate Governance Code

The Management Board and Supervisory Board of PVA TePla AG, headquartered in Wettenberg, Germany, hereby declare that the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated April 28, 2022, published in the official section of the Federal Gazette by the Federal Ministry of Justice and Consumer Protection on June 27, 2022, ("**GCGC**") have been complied with since the last Declaration of Conformity was issued, with the following deviations, and will be complied with in the future, with the following deviations:

- *Item A.5 of the Code states that the management report should describe the main features of the overall internal control system and the risk management system, and comment on the adequacy and effectiveness of these systems.*

  This recommendation may not be fully addressed at this time.

  Reason: *There is uncertainty as to whether the statement submitted by the Board of Management fully complies with the requirement of A.5 of the GCGC, according to which a statement is to 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.*

- *Section C.5 of the Code stipulates, among other things, that the Executive Board of a listed company should not chair the Supervisory Board of a listed company outside the Group.*

  This recommendation has not been complied with and will not be complied with in the future. Alexander von Witzleben, who is a member of the Management Board of a listed company outside the Group,

currently holds a total of three such Supervisory Board mandates in addition to his office as Chairman of the Supervisory Board of PVA TePla.

Reason: *Alexander von Witzleben has declared to the Company that he has sufficient time available to perform his duties as Chairman of the Supervisory Board of PVA TePla and that he can perform his duties with due regularity and diligence. The Supervisory Board and the Management Board of PVA TePla AG do not see any conflicts of interest or time conflicts arising from his other mandates. During his term of office, Alexander von Witzleben has continuously accompanied and monitored the management of PVA TePla critically and intensively.*

- *Section C.7 of the Code stipulates, among other things, that Supervisory Board members should not serve on the Supervisory Board for more than 12 years in view of their independence from the Company and the Executive Board.*

  This recommendation has not been complied with and will not be complied with in the future. Alexander von Witzleben and Prof. Dr. Hebestreit have been members of the Supervisory Board for more than 12 years.

  Justification: *The Supervisory Board does not consider a flat-rate limit on the length of service of Supervisory Board members to be appropriate. The setting of such a limit would be based on the assumption that a longer period of membership of the Supervisory Board alone disqualifies a Supervisory Board member for further membership or calls into question the independence of the Supervisory Board member. There is no objective justification for such a presumption. Moreover, such a rigid rule limit does not take into account individual factors that speak in favor of a longer membership of individual Supervisory Board members.*

- *Point D.4 of the Code provides that the Supervisory Board shall form a Nomination Committee composed exclusively of shareholder representatives which nominates suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of Supervisory Board members.*

  This recommendation has not been complied with and will not be complied with in the future. The Supervisory Board has decided against the establishment of a Nomination Committee.

  Justification: **In the** *opinion of the Supervisory Board, the establishment of such a Nomination Committee does not offer any additional increase in the efficiency of the work of the Supervisory Board against the background of the composition of the Supervisory Board and the voting processes within the Supervisory Board. The Supervisory Board therefore leaves this function within the Supervisory Board as a whole.*

Section G of the GCGC contains recommendations on the compensation of the Executive Board. These are closely related to the amendments to the German Stock Corporation Act (AktG) on Executive Board compensation as a result of the Act Implementing the Second Shareholders' Rights Directive. The Supervisory Board fundamentally revised the system of Executive Board compensation in 2021, taking into account the new requirements on Executive Board compensation in the Stock Corporation Act, and submitted this new system to the Company's Annual General Meeting in 2021 for approval. The Annual General Meeting approved this compensation system. Since then, the new system has applied to all new Executive Board service contracts to be concluded or renewed. On the basis of this system, the recommendations on Executive Board compensation in Section G of the GCGC have been complied with and will continue to be complied with in the future, with the following exceptions:

- *Under item G.6, the Code provides that the share of variable compensation resulting from the achievement of long-term oriented targets should exceed the share of variable compensation resulting from the achievement of short-term oriented targets.*

  This recommendation may not be complied with in all cases in the future. The same percentage ranges for the share of total target compensation have been defined in the compensation system for short- and long-term variable compensation, so that, depending on the specific definition within these ranges, the share of short-term variable compensation may exceed the share of long-term variable compensation. The Supervisory Board reserves the right to make appropriate arrangements.

  Justification: *The long-term variable compensation component is structured in the compensation system in such a way that it accounts for a significant share of the target total compensation in each case. In the opinion of the Supervisory Board, this provides sufficient long-term behavioral incentives, and the long-term compensation component makes a decisive contribution to aligning the Executive Board compensation system to the long-term and sustainable development of the Company. However, there may well be individual situations in which the Supervisory Board sees a particular need, in the interests of the Company, to set a specific significant behavioral incentive also with regard to short-term targets and then to set the ratio of short-term and long-term variable compensation accordingly within the ranges specified by the compensation system. The Supervisory Board wishes to retain this flexibility.*

- *Under item G.7, the Code provides, among other things, that the Supervisory Board shall determine the performance criteria for all variable compensation components for each Executive Board member for the upcoming financial year.*

  This recommendation has not been complied with and will not be complied with in the future to the extent that an annual determination of the performance criteria is not made for all variable remuneration components, but these are in part determined by the Executive Board service agreement for a longer

period. In accordance with the compensation system, this may affect thresholds and percentages with regard to Group EBIT as a financial performance criterion under short-term variable compensation and applies to the performance criterion under long-term variable compensation.

Justification: *From the Supervisory Board's point of view, defining the performance criteria for all variable compensation components for each upcoming financial year is not necessary and would involve superfluous effort. E.g., thresholds and percentages with regard to Group EBIT may also be suitable as performance criteria for short-term variable compensation for a longer period. As the long-term variable compensation has an assessment period of three to five years, the performance criterion for this, namely the increase in market capitalization, is also set for three to five years in line with the assessment period and not for each upcoming financial year. This approach serves to ensure legal certainty and planning capability for the Executive Board members. Insofar as the performance criteria for a medium-term period have already been conclusively determined, there is no longer any need to determine them for the respective upcoming fiscal year. Mere confirmation resolutions would have no added value. Irrespective of this, the defined performance criteria are designed in each case to promote the strategic and sustainable development of the Company and to increase its enterprise value.*

- *Point G.10 of the Code stipulates that the variable compensation amounts granted should be invested primarily in shares of the Company or granted on a share-based basis, taking into account the respective tax burden. The Executive Board member should not be able to dispose of the long-term variable grant amounts until after four years.*

  This recommendation has not been complied with and will not be complied with in the future. The short-term variable compensation amounts are not invested in shares of the Company or granted on a share-based basis. However, the long-term variable compensation is similar to share-based compensation because the performance criterion is the development of the Company's market capitalization. The assessment period is between three and five years, so that in individual cases a member of the Executive Board may have access to the long-term variable grant amounts after less than four years.

  Justification: *The Supervisory Board is of the opinion that a sufficient alignment of the Executive Board's compensation with the shareholders' interests is also achieved by the structure described above. As the strategic and sustainable development of the Company has an impact on the market capitalization of the Company and thus on the amount of long-term variable compensation, the objective of share-based compensation is also achieved by the structure of long-term variable compensation applied by the Company.*

- *The Code provides under item G.11 that the Supervisory Board should have the possibility to take into account extraordinary developments to an appropriate extent. In justified cases, variable compensation should be able to be withheld or reclaimed.*

This recommendation has not been complied with and will not be complied with in the future insofar as the compensation structure does not provide for the retention or claw-back of variable compensation.

Justification: *The Supervisory Board is of the opinion that, even without such regulations, the compensation structure provides sufficient incentives for the long-term and sustainable development of the Company, that the statutory claims for damages sufficiently encourage the Executive Board to act in accordance with its duties, and that these claims can also be enforced with sufficient certainty.*

- *Under item G.12, the Code provides that in the event of termination of a Board of Management contract, the payment of any outstanding variable compensation components attributable to the period up to the termination of the contract shall be made in accordance with the originally agreed targets and comparison parameters and in accordance with the due dates or holding periods specified in the contract.*

  This recommendation has not been complied with and will not be complied with in the future.

  Justification: *The Company is convinced that, in the event of termination of an Executive Board contract, the possibility of lump-sum settlement of outstanding variable compensation components of the Executive Board member concerned at the time of contract termination can be advantageous and helpful for the Company in reaching an amicable agreement with the Executive Board member concerned. In addition, this will rule out what the Company considers to be an inappropriate impact on the variable compensation of future developments not attributable to the departing Executive Board member.*

Wettenberg, March 2024

for the Management Board:	for the Supervisory Board:
Jalin Ketter	Alexander von Witzleben
Chairman of the Executive Board	Chairman of the Supervisory Board