

CORPORATE GOVERNANCE

The Group corporate governance declaration pursuant to section 315d in connection with section 289f HGB (German Commercial Code) and the declaration of conformity with the German Corporate Governance Code (section 161 AktG (German Stock Corporation Act)) are permanently available on the Company's website at www.grammer.com under "Corporate Governance" in the section entitled "COMPANY".

1. Supervisory Board and Executive Board

1.1 The Executive Board

The rules for the appointment and dismissal of Executive Board members are based on the provisions of section 84 AktG as well as article 8 et sec. of the Company's articles of association. There were no changes to the Executive Board in the year under review.

In a circular resolution dated August 6, 2021, the Supervisory Board of GRAMMER AG extended the terms of office of the Executive Board members Thorsten Seehars (CEO) and Jurate Keblyte (CFO) ahead of schedule by five years. Thorsten Seehars's new Executive Board contract thus expires on August 31, 2026 and Jurate Keblyte's term in office extends until June 30, 2027. The contract for Jens Öhlenschläger, the final member of the Executive Board team and Chief Operating Officer (COO), was already extended in March 2021 and expires on December 31, 2026.

1.2 The Supervisory Board

There were no changes to the GRAMMER AG Supervisory Board in 2021.

2. Group corporate governance report and declaration

GRAMMER is committed to ensuring responsible and transparent corporate governance on the basis of statutory provisions, its articles of association, the rules of procedure of the Executive Board and the Supervisory Board and the German Corporate Governance Code (the Code, which are observed in all decision-making processes.

GRAMMER AG is subject to German stock corporation law and therefore has a dual management system consisting of an Executive Board and a Supervisory Board.

2.1 Executive Board

The Executive Board is responsible for the management of GRAMMER AG. As a management body, it is committed to furthering the Company's interests and to increasing its sustained enterprise value. To this end, it develops a suitable strategy, consults with the Supervisory Board and ensures that it is implemented.

The Executive Board is responsible for preparing the Company's quarterly reports and half-yearly financial report as well as the annual and consolidated financial statements and the management report for GRAMMER AG and the Group. The Executive Board is also responsible for compliance with the law and internal policies and ensures these are implemented and observed throughout the Company. To meet these obligations, the Executive Board ensures that there is an appropriate compliance management system in place that is based on the Company's risk position, as well as a control and risk management system.

The Supervisory Board has issued rules of procedure for the Executive Board, which include the definition of various areas of responsibility and the rules for cooperation both within the Executive Board and between the Executive Board and the Supervisory Board. The rules of procedure also determine the matters that are the responsibility of the Executive Board in its entirety and the required majorities for passing resolutions.

The Executive Board and the Supervisory Board work closely together in the Company's best interests. In addition to the Supervisory Board meetings, which are attended by the members of the Executive Board, members of the Supervisory Board regularly exchange information with the Chairman of the Executive Board and the other Executive Board members. The report of the Supervisory Board provides additional information on the collaboration between the Executive Board and the Supervisory Board.

The members of the Executive Board are subject to a comprehensive non-competition clause during their activities for GRAMMER AG. They undertake to act in the Company's best interests and may not pursue any personal interests when making decisions; in particular, they may not make use of any business opportunities arising for the Company for their own personal benefit. They may only engage in sideline activities, in particular, supervisory board mandates outside the GRAMMER Group, with the approval of the Supervisory Board. The Supervisory Board is responsible for deciding on how the remuneration received for sideline activities is to be treated. Each member of the Executive Board is under a duty to disclose to the Supervisory Board any conflicts of interest without delay.

As a rule, members of the Executive Board are initially appointed for a period of no more than three years. However, the Supervisory Board assesses each individual case on the basis of its own merits to determine the appropriate initial period of appointment.

In 2021, the Executive Board was composed of the following members:

Thorsten Seehars, Chief Executive Officer (CEO), Chief Human Resources Officer, member of the Executive Board since August 1, 2019, appointed until August 31, 2026

- Responsibilities: Automotive Division; Commercial Vehicles Division; Group R&D; Corporate Development; Group Marketing, Communications, Corporate Social Responsibility, Strategic Product Planning, Group Human Resources
- Seats on other Supervisory Boards required by law or comparable domestic and foreign governing bodies of commercial enterprises:
 - External mandates (as of December 31, 2021): none
 - Group mandates (as of December 31, 2021): member of the Board of Directors at GRAMAG Truck Interior Systems LLC, Changchun GRAMMER FAWSN Vehicle Parts and Grammer Vehicle Parts (Harbin) Co., Ltd. (since May 19, 2021)

Jurate Keblyte, Chief Financial Officer (CFO), member of the Executive Board since August 1, 2019, appointed until June 30, 2027

- Responsibilities: Group Controlling; Group Accounting; Group Finance; Finance EMEA region; Finance Region China; Finance Region AMERICAS; Group Legal & Compliance; Group Internal Audit; Group IT; Investor Relations
- Seats on other Supervisory Boards required by law or comparable domestic and foreign governing bodies of commercial enterprises:
 - External mandates (as of December 31, 2021): member of the Supervisory Board of HAWE Hydraulik SE, Aschheim, Munich, member of the Supervisory Board of Ottobock SE & Co., Duderstadt (since May 17, 2021)
 - Group mandates (as of December 31, 2021): member of the Board of Directors of Changchun GRAMMER FAWSN Vehicle Parts Co., Ltd.

Jens Öhlenschläger, Chief Operating Officer (COO), member of the Executive Board since August 1, 2019, appointed until December 31, 2026

- Responsibilities: EMEA region; Region China; Region AMERICAS; Group Quality, HSE & Information Security; Group Supplier Management; Group Performance Improvement; Digitalization Operations; VA/VE Management
- Seats on other Supervisory Boards required by law or comparable domestic and foreign governing bodies of commercial enterprises:
 - External mandates (as of December 31, 2021): none
 - Group mandates (as of December 31, 2021): Member of the Board of Directors of ALLYGRAM Systems and Technologies Pvt., Ltd., Supervisory Board of GRAMMER (China) Holding Co., Ltd. (since April 30, 2021), GRAMMER Interior (Beijing) Co., Ltd., GRAMMER Interior (Changchun) Co., Ltd. (since March 5, 2021), GRAMMER Interior (Shanghai) Co., Ltd., GRAMMER Interior (Tianjin) Co., Ltd., GRAMMER Seating (Ningbo) Co., Ltd., GRAMMER Seating (Shaanxi) Co., Ltd., GRAMMER Vehicle Interiors (Hefei) Co., Ltd. (since November 11, 2021), GRAMMER Vehicle Parts (Shenyang) Co., Ltd. and GRAMMER Japan, Ltd.

The resumes of the members of the Executive Board are available on the Company's website. All information on the Executive Board remuneration system is included in the remuneration report.

2.2 Supervisory Board

The Supervisory Board of GRAMMER AG monitors and advises the Executive Board on the management of the Company. It has 12 members. In accordance with the German Codetermination Act, it has an equal number of six members representing the shareholders and six members representing the employees. The members of the Supervisory Board representing the shareholders are elected at the Annual General Meeting by a simple majority. Elections to the Supervisory Board are regularly held in the form of individual elections. The employee representatives on the Supervisory Board are elected in accordance with the provisions of the German Codetermination Act.

The work of the Supervisory Board is governed by statutory requirements, the articles of association and the rules of procedure. At regular intervals, the Supervisory Board discusses the Company's business performance and planning as well as strategy and its implementation. It reviews the annual and consolidated financial statements, the management report of GRAMMER AG and the Group as well as the non-financial statement and the dependent company report. It adopts the annual financial statements of GRAMMER AG and approves the consolidated financial statements, based on the results of the preliminary review conducted by the Audit Committee and taking into account the external auditor's reports. The Supervisory Board passes a resolution concerning the Executive Board's proposal for the appropriation of the Company's net retained profits and submits a proposal for the election of the external auditor at the Annual General Meeting. Together with the Executive Board, the Supervisory Board prepares a report on the remuneration paid and owed to members of the Executive Board and the Supervisory Board in the previous year.

The Supervisory Board is also responsible for appointing the members of the Executive Board and determining the allocation of responsibilities. The Supervisory Board, acting on a proposal by the Personnel and Mediation Committee, decides on the system for the remuneration of the members of the Executive Board and sets the specific remuneration in accordance with this system. It defines the targets for variable remuneration and the respective total remuneration for the individual members of the Executive Board and reviews the appropriateness of the total remuneration as well as the remuneration system for the Executive Board on a regular basis.

In the absence of any mandatory statutory provisions to the contrary, the resolutions of the Supervisory Board shall be deemed to have been passed with a simple majority of the vote cast. In the event of a parity of votes, voting is repeated, in which case the Chairman of the Supervisory Board holds two votes.

The Supervisory Board usually meets five times a year and also regularly without the presence of the Executive Board. To prepare for the Supervisory Board meetings, the shareholder and

employee representatives regularly meet separately. Each member of the Supervisory Board is under a duty to disclose any conflicts of interest to the Supervisory Board.

Supervisory Board self-assessment

The Supervisory Board and its committees regularly review, either internally or with the involvement of external advisors, how effectively the Supervisory Board as a whole and its committees are performing their duties. It discusses scope for improvement on the basis of the results and adopts appropriate measures. Individual suggestions are also taken up and implemented during the year. The Supervisory Board conducted an internal self-assessment using questionnaires in the fourth quarter of 2021 and discussed the results and subsequent measures at length at the Supervisory Board meeting on November 16, 2021.

A list of the offices held by all members of the Supervisory Board can be found in the section on the Supervisory Board and the Executive Board.

2.3 Supervisory Board committees

In order to increase the efficiency of its work, the Supervisory Board has an Audit Committee, a Personnel and Mediation Committee, a Nominating Committee, a Strategy Committee and an Executive Committee, all of which met regularly in 2021. Their duties, responsibilities and work processes comply with the requirements of the German Stock Corporation Act (AktG) and the German Corporate Governance Code (the Code). The committee chairs regularly report to the Supervisory Board on their activities.

The [Audit Committee](#) consists of four members elected by the Supervisory Board – two of whom are shareholder representatives and two employee representatives – from whom the Committee appoints one member as its chair. The committee meets as required but at least four times a year. The Chair of the Audit Committee is independent of the Company, the Executive Board and the controlling shareholders and, as a financial expert, has extensive knowledge and experience in the application of accounting principles and internal control processes and is familiar with the audit. This person is not the Chair of the Supervisory

Board and is not a former member of the GRAMMER AG Executive Board whose tenure ended fewer than two years prior. The Audit Committee is responsible for accounting and accounting process issues, the efficacy of the internal control system, the risk management system and the internal auditing system, the internal procedure for related party transactions and compliance with legal provisions, official regulations and internal company compliance. As part of the audit of the financial statements, it also monitors the selection, independence and qualifications of the auditor and the auditor's services. The Audit Committee is responsible for the preliminary audit of the annual and consolidated financial statements, the management report of GRAMMER AG and the Group and the dependent company report. It discusses the documents listed in the previous sentence with the Executive Board and the auditor and deals with the auditor's audit report. In addition, the Audit Committee also prepares the Supervisory Board's decision regarding the preparation of the annual financial statements, the approval of the consolidated financial statements and the Executive Board's resolution on the appropriation of profit. The Audit Committee also verifies the independence of the external auditor and obtains from him the corresponding declaration of independence. It issues the audit engagement to the external auditor and enters into the corresponding fee agreement, deals with the determination of the main focal points of the external audit and monitors the audit of the financial statements.

The [Personnel and Mediation Committee](#) contains the Chairman of the Supervisory Board, his deputy, one member selected by the employee representative members and one selected by the shareholder representative members. It meets at least twice per calendar year. The Personnel and Mediation Committee deliberates on the Supervisory Board's personnel decisions in an advisory and preparatory capacity, chiefly regarding the appointment and removal of Executive Committee members, the remuneration system for the Executive Board, total compensation for the individual members of the Executive Board and the preparation of the remuneration report. In addition, the Personnel and Mediation Committee consults regularly about long-term succession planning for the Board of Management.

The [Nomination Committee](#) comprises three of the members selected by the Supervisory Board members representing the shareholders. It has the task of proposing to the Supervisory Board suitable shareholder representatives for election to the Supervisory Board at the Annual General Meeting. As well as the required knowledge, skills and professional experience, the objectives designated by the Supervisory Board for its composition and the competence profile drawn up for the entire Supervisory Board should be taken into account when proposing candidates. When determining its composition, the Supervisory Board should, in particular, suitably consider the Company's international activities, the age limit specified and diversity. Attention must be paid to ensuring appropriate representation of women and men in accordance with the statutory gender representation requirements.

The [Strategy Committee](#) comprises two of the members elected by the Supervisory Board members representing the shareholders and the employees. The committee meets at least twice each calendar year and deliberates on the development of the corporate strategy in an advisory and preparatory capacity. Key tasks include advising the Executive Board on the strategic development of the Company, preparing strategy meetings and resolutions of the Supervisory Board on business requiring the Supervisory Board's approval and advising the Executive Board on corporate strategy issues and projects of strategic relevance.

The [Executive Committee](#) comprises the Chairman of the Supervisory Board and his deputy. Its task is to support the Chairman of the Supervisory Board in the performance of his duties, particularly the preparation of the meetings and the coordination of the Supervisory Board's activities as well as the preparation of the resolutions to be passed by the Supervisory Board.

Attendance at the meetings of the Supervisory Board

In the year under review, the Supervisory Board of GRAMMER AG held five ordinary and two extraordinary meetings. Five ordinary meetings are planned for 2022. In addition, extraordinary meetings will be convened if necessary. The committees also meet regularly. The Supervisory Board considers the individualized disclosure of attendance at the meetings of the Supervisory

Board and its committees to form an element of good corporate governance:

Attendance at the meetings of the Supervisory Board

		Attendance rate	
Supervisory Board		Actual / Target	Rate
Klaus Bauer	Member	7/7	100%
Andrea Elsner	Member	7/7	100%
Dr. Ping He	Member	7/7	100%
Martin Heiß	Member	7/7	100%
Peter Kern	Member	7/7	100%
Jürgen Kostanjevec	Member	7/7	100%
Dr. Peter Merten	Member	6/7	86%
Horst Ott	Deputy Chairman	6/7	86%
Gabriele Sons	Member	7/7	100%
Prof. Dr. Birgit Vogel-Heuser	Member	6/7	86%
Antje Wagner	Member	7/7	100%
Alfred Weber	Chairman	7/7	100%
		81/84	96%

Strategy Committee

Martin Heiß	Member	2/2	100%
Dr. Peter Merten	Member	2/2	100%
Horst Ott (deputy Ch SB)	Member	2/2	100%
Alfred Weber (Ch SB)	Chairman	2/2	100%
		8/8	100%

Personnel Committee

Martin Heiß	Member	7/7	100%
Horst Ott (deputy Ch SB)	Member	7/7	100%
Gabriele Sons	Member	7/7	100%
Alfred Weber	Chairman	7/7	100%
		28/28	100%

Audit Committee

Andrea Elsner	Member	5/5	100%
Dr. Peter Merten	Chairman	5/5	100%
Antje Wagner	Member	5/5	100%
Alfred Weber (Ch SB)	Member	5/5	100%
		20/20	100%

Executive Committee

Horst Ott (deputy Ch SB)	Deputy Chairman	5/5	100%
Alfred Weber (Ch SB)	Chairman	5/5	100%
		10/10	100%

Further details of how the Supervisory Board works, the number of meetings and the main matters dealt with in 2021 can be found in the report of the Supervisory Board.

Collaboration between the Executive Board and the Supervisory Board

The Executive Board and the Supervisory Board of GRAMMER AG worked closely and in mutual trust for the benefit of the Company again in the year under review. The Executive Board's information and reporting duties were defined in its rules of procedure. During the meetings of the Supervisory Board, the Executive Board and Supervisory Board discussed all key strategic decisions as well as transactions requiring consent openly, in detail

and subject to strict confidentiality. The Executive Board kept the Supervisory Board comprehensively informed on a regular and up-to-date basis on all key matters as well as planning, business performance and the risk situation of the Company. In addition to the regular Supervisory Board meetings attended by the Executive Board, the Chief Executive Officer and the Chairman of the Supervisory Board discussed all relevant matters on a regular basis. The report of the Supervisory Board provides additional information on the collaboration between the Executive Board and the Supervisory Board. In the year under review, the members of the Executive Board and the Supervisory Board were covered by D&O insurance with a deductible of at least 10% per claim and capped at one-and-a-half-times the fixed annual remuneration of the individual member.

Directors' dealings

All members of the Executive Board and Supervisory Board and persons closely associated with them are required, subject to certain conditions, to disclose all share transactions without delay in accordance with Art. 19 of the European Market Abuse Directive (EU 596/2014). A process has been established to duly publish these transactions in the event of such notification. All share transactions are published in accordance with article 19 of the European Market Abuse Directive as soon as they are disclosed to GRAMMER AG. No transactions were reported in 2021.

Shareholders and Annual General Meeting

The shareholders exercise their rights at the Annual General Meeting. At the Annual General Meeting, the shareholders pass resolutions on the appropriation of profits, the ratification of the actions of the members of the Executive Board and the Supervisory Board and the election of the auditors, among other things. The shareholders pass resolutions on amendments to the articles of association and capital measures, which are duly implemented by the Executive Board. To assist absent shareholders in exercising their rights, two voting proxies attended the annual general meeting to exercise voting rights in accordance with the instructions issued. Shareholders were able to authorize and instruct these proxies, who could be reached throughout the meeting, at any time. Shareholders may also cast their votes in writing or electronically (postal vote). They can submit motions

on resolutions proposed by the Executive Board and Supervisory Board and contest resolutions passed at the Annual General Meeting.

The reports, documents and information required by law for the Annual General Meeting, including the annual report, are available on the Internet, as are the agenda for the Annual General Meeting and any counter motions or election proposals from shareholders that are required to be disclosed. When shareholder representatives are to be elected to the Supervisory Board, a detailed resume is published for each candidate.

The Annual General Meeting on June 23, 2021

was organized as an online format without the physical presence of the shareholders and their proxies in view of the special circumstances arising from the COVID-19 pandemic in accordance with the Act Governing Measures In Company Law, Laws On Cooperatives, Association Law, Foundation Law And Residential Property Law To Combat The Effects Of The COVID-19 Pandemic.

As part of our investor relations work, we provide comprehensive information on developments at the Company. Among other things, quarterly statements, half-yearly financial and annual reports, earnings reports, ad hoc announcements, analyst presentations, press releases and the financial calendar for the current year, which includes the publication dates that are important for financial communications and the date of the Annual General Meeting, are published on www.grammer.com.

Accounting and statutory audit

The GRAMMER Group's consolidated financial statements for 2021, as well as the report on the first half of the year and the quarterly reviews, were prepared in accordance with the International Financial Reporting Standards (IFRS). At the annual general meeting held on June 23, 2021, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, ("EY") was elected external auditor of the annual financial statements and the consolidated financial statements for the reporting year. The proposal had been preceded by an independence check. This ruled out any business, financial, personal and other relations between the auditors, their corporate bodies as well as chief auditors, on

the one hand, and GRAMMER AG, as well as the members of its corporate bodies, on the other hand, liable to call into question the independence of the auditors. EY submitted a binding declaration of independence. The Supervisory Board also agreed with the external auditors that it was to be notified without delay of any findings and occurrences material to the duties of the Supervisory Board arising during the audit. Accordingly, the auditors undertake to advise the Supervisory Board, or make a corresponding note in their audit report, if any evidence is found indicating the presence of any misrepresentation in the Code declaration issued by the Executive Board and the Supervisory Board.

Compliance management system

"Integrity forms the basis of our success." This is the initial statement in GRAMMER's Code of Conduct, which was first published in May 2006 and extensively revised in December 2020, laying the foundations for its present compliance management system. Business success can only be sustained if statutory provisions and the Company's internal policies are observed. This corporate culture helps to encourage a sense of responsibility in each individual, enhance skills and particularly highlight integrity as a basis for working together in a spirit of mutual trust. The Code of Conduct is binding on all employees of the GRAMMER Group. It summarizes the main internal and external rules and principles and contains binding rules governing anti-corruption and fair competition as well as requirements concerning safety, health and environment. The Code of Conduct additionally contains provisions concerning the treatment of confidential information, compliance with data protection regulations and the avoidance of insider trading. The Code of Conduct is supplemented by detailed compliance guidelines, which are available in the languages relevant to GRAMMER on the Intranet.

During the year under review, the Executive Board regularly dealt with the further development of the compliance management system and ensured that the necessary measures were taken. The Executive Board as a whole is jointly responsible for compliance. Together with the entire management, it ensures that each individual in the Company abides by the principles of compliance. In addition, a Compliance Committee consisting of the members

of the Executive Board and internal technical experts has been set up and regularly deals with compliance issues and the further development of the compliance management system. The management of the GRAMMER Group is responsible for encouraging conduct that conforms to the requirements of compliance and for acting as a role model. In addition to the extensive information available on the GRAMMER Group's Intranet, special web-based training modules on compliance related issues are available for employees, who are awarded a certificate upon successfully completing the training. All new employees are trained on the Code of Conduct. In addition, employees from relevant functions must attend web-based training sessions on significant compliance topics, in particular anti-corruption and antitrust law.

If any employees suspect or become aware of any breaches of the law or internal guidelines, they can report this anonymously to the internal whistleblower system, which is currently available in 14 languages.

There is a high degree of familiarity across the Group as a whole with the basic values enshrined in GRAMMER's Code of Conduct. Compliance audits conducted by Internal Auditing as well as audits of the specialist departments are further elements of the compliance management system at GRAMMER.

Corporate governance statement pursuant to sections 289f and 315d HGB

The corporate governance statement pursuant to sections 289f and 315 HGB forms an integral part of the management report. Under section 317 (2) sentence 6 HGB, the external auditor's review of the disclosures pursuant to sections 289f and 315 HGB is limited to determining whether the disclosures have been made.

Remuneration of the Executive Board and the Supervisory Board

The remuneration report on the 2021 financial year and the auditor's report pursuant to Section 162 AktG, the applicable remuneration system pursuant to Section 87a (1) and (2) Sentence 1 AktG and the latest remuneration resolution pursuant to Section 113 (3) AktG can be viewed permanently on our corporate website at www.grammer.com in the Investor Relations section under Financial Publications / Annual Financial Statements 2021 section.

Declaration of conformity with the German Corporate Governance Code

On December 9, 2021, the Executive Board and the Supervisory Board of GRAMMER AG issued the following declaration in accordance with section 161 of the German Stock Corporation Act (AktG) concerning conformity to the German Corporate Governance Code (the Code):

GRAMMER AG Executive Board and Supervisory Board declaration on the recommendations of the "Government Commission on the German Corporate Governance Code" in accordance with section 161 AktG

Since the last declaration of conformity dated December 10, 2020, GRAMMER AG ("Company") has conformed to all of the recommendations of the Government Commission on the German Corporate Governance Code in the version dated December 16, 2019, published in the official section of Bundesanzeiger on March 20, 2020 ("2020 Code"), announced by the Federal Ministry of Justice and Consumer Protection in the official section of Bundesanzeiger with the following exceptions:

1. Recommendation D.1 - "Publication of the rules of procedure of the Supervisory Board"

The 2020 Code recommends publishing the Rules of Procedure of the Supervisory Board on the Company's website. At Grammer AG's Annual General Meeting on July 8, 2020, new shareholder representatives were elected to the Supervisory Board as the previous terms of office had duly expired. As four of the six previous shareholder representatives did not stand for re-election, there was a substantial change in the composition of the Supervisory Board. The Supervisory Board addressed issues relating to the future governance of the Company as a whole at its meetings in Q3 2020, Q4 2020 and Q1 2021. For this reason, the rules of procedure of the Supervisory Board were initially not reviewed or revised. Accordingly, the Supervisory Board then resolved new Rules of Procedure on March 29, 2021 and published these on the Company's website at the start of May 2021, thereby ensuring compliance with the recommendation D.1 since this time.

2. Section G. I - "Executive Board remuneration"

Section G.I. of the 2020 Code includes new recommendations concerning the remuneration of the Executive Board compared with the previous version.

The system for remunerating members of the Company's Executive Board in place until December 31, 2020, which was approved by the Company's Annual General Meeting on June 12, 2018, did not comply in full with the recommendations of the 2020 Code.

The system for remunerating members of the Company's Executive Board in place since January 1, 2021, which was approved by the Company's Annual General Meeting on June 23, 2021, complies with all recommendations on Executive Board remuneration in Section G.I. of the 2020 Code.

The Company meets all recommendations of the 2020 Code and will continue to do so in the future.

Ursensollen, December 9, 2021

GRAMMER Aktiengesellschaft

The Executive Board

The Supervisory Board

GRAMMER AG bases its actions on the suggestions of the German Corporate Governance Code and complies with these, with the following exceptions:

A whistleblower system is currently only available for employees of the Company (recommendation A.2). Given the impact of the COVID-19 pandemic, meetings of the Supervisory Board and its committees were generally held by video conference or as a hybrid event in the form of an in-person meeting where attendants could alternatively choose to take part virtually (recommendation D.8).

This declaration and all declarations of conformity issued in previous years are available on GRAMMER AG's website.

Objectives for the composition, competence profile and diversity policy for the Supervisory Board

The Supervisory Board of GRAMMER AG should be composed in such a way as to ensure that the Executive Board receives qualified supervision and advice from it. In this context, the complementary interaction of members with different personal and professional backgrounds as well as diversity in terms of internationality, age and gender is considered helpful.

Competence profile

Based on their knowledge, skills and experience, the candidates proposed for election to the Supervisory Board should be able to perform the duties of a Supervisory Board member in an internationally active and capital market-oriented company and appropriately represent it externally. The criteria are based on the current Code recommendations with regard to diversity and an appropriate proportion of women as well as the characteristics of independence, experience, international profile and expertise. Moreover, the members should possess the integrity, personality and commitment necessary for the duties of the Supervisory Board.

These criteria have been defined in a profile of competence and summarized in a corresponding questionnaire that forms a key basis of the examination to determine the suitability of a nominee.

The aim is to ensure that the Supervisory Board as a whole has all the knowledge and experience required to perform its duties – this applies in particular with regard to knowledge and experience of importance to GRAMMER concerning

- leadership in a large or medium-sized internationally active company
- knowledge of industrial business and valuation creation along various value chains
- knowledge of GRAMMER's key industries, markets, regions and business segments
- new technologies
- production and sales and knowledge of corporate processes
- general accounting knowledge
- general knowledge of corporate governance, controlling, risk management and compliance

The members of the Supervisory Board as a whole should be familiar with the sector in which the Company operates. At least one independent member of the Supervisory Board should have expertise in the fields of accounting or auditing as well as special knowledge and experience in the application of accounting principles and internal control procedures. Which of the desirable skills on the Supervisory Board is to be strengthened should be determined whenever a new candidate is to be elected to the Supervisory Board.

Diversity

Sufficient diversity should be ensured in the composition of the Supervisory Board. In addition to the appropriate representation of women, this also includes diversity with regard to cultural origins as well as the diversity of educational and professional backgrounds, experience and ways of thinking. When considering potential candidates for by-election or replacement for positions on the Supervisory Board that become vacant, the aspect of diversity should be given appropriate consideration at an early stage of the selection process. In accordance with the German

Stock Corporation Act (AktG), the Supervisory Board must be composed of at least 30% women and 30% men.

Age limit

In accordance with the age limit specified by the Supervisory Board in its rules of procedure, only persons who are no older than 70 years of age at the time of being elected or re-elected are proposed for election as members of the Supervisory Board.

Independence

The Supervisory Board should have an appropriate number of independent members as determined by the shareholder representatives on the Supervisory Board. More than half of the shareholder representatives should be independent of the Company and the Executive Board. Significant conflicts of interest that are not merely temporary should be avoided. No more than two former members of GRAMMER AG's Executive Board are permitted to hold seats on the Supervisory Board. The members of the Supervisory Board should have sufficient time to exercise their mandate with the requisite regularity and diligence.

Implementation of the objectives for the composition, competence profile and diversity policy for the Supervisory Board; independent members of the Supervisory Board

The Supervisory Board as well as its Nominating Committee, take into account the objectives for the composition of the Supervisory Board and the requirements set out in the diversity policy during the selection process and the nomination of candidates for the Supervisory Board. Most recently, the Supervisory Board and the Nominating Committee took due account of the objectives, including the competence profile and the diversity policy, in the proposals for the shareholder representatives to be elected at the 2020 Annual General Meeting. The Supervisory Board believes that its current composition meets the targets with respect to composition and fulfills the competence profile and diversity policy. The members of the Supervisory Board have the professional and personal qualifications deemed necessary. The members of the Supervisory Board as a whole are familiar with the sector in which the Company operates and possess the knowledge, skills, capabilities, experience and international profile considered necessary for GRAMMER. In addition, the diversity

of the professional and educational backgrounds of the individual members of the Supervisory Board can be seen in the resumes of its members, which are published on the GRAMMER AG website and updated annually.

Diversity is duly taken into account in the composition of the Supervisory Board. In 2021, the Supervisory Board had four female members, including two shareholder representatives and two employee representatives. In accordance with section 96 (2) sentence 1 AktG, the Company must have a Supervisory Board comprised of at least 30% women and 30% men. This quota must be fulfilled separately by the shareholder representatives and the employee representatives, respectively, as joint fulfillment has been rejected (separate fulfillment). The minimum representation requirement required under section 96 (2) sentence 1 AktG is therefore satisfied.

The Supervisory Board also includes an appropriate number of independent members. The Supervisory Board believes that all shareholder representatives are independent within the meaning of the Code. The defined age limit is also observed. No cap on the length of membership on the Supervisory Board has been defined.

Composition of the Supervisory Board committees

In order to increase the efficiency of its work, the Supervisory Board has an Audit Committee, a Personnel and Mediation Committee, a Nominating Committee, a Strategy Committee and an Executive Committee.

In 2021, the Audit Committee comprised of the Supervisory Board members Dr. Peter Merten, Andrea Elsner, Antje Wagner and Alfred Weber. Dr. Peter Merten was the Chairman.

The Strategy Committee in 2021 comprised of the Supervisory Board members Alfred Weber, Martin Heiss, Dr. Peter Merten and Horst Ott. Alfred Weber was the Chairman.

Supervisory Board members Alfred Weber, Martin Heiss, Horst Ott and Gabriele Sons were members of the Personnel and Mediation Committee in 2021. Alfred Weber was the Chairman.

The Nomination Committee comprised of Alfred Weber, Dr. Peter Merten and Ms. Gabriele Sons. The committee has not met since it was formed and so no committee chair has been appointed.

Alfred Weber and Horst Ott sat on the Executive Committee in 2021. The Executive Committee does not have a chair.

Targets for the representation of women on the Executive Board and in the two management levels below the Executive Board; disclosure on compliance with minimum quota requirements in the composition of the Supervisory Board

At its meeting on December 10, 2020, the Supervisory Board confirmed the target of 33% for the proportion of women on GRAMMER AG's Executive Board by December 31, 2023 set in 2017. In 2021, the GRAMMER AG Executive Board comprised of two men and one woman and so the target was met.

When filling management positions within the Company, the Executive Board pays attention to diversity and strives, in particular, to give appropriate consideration to women and an international background. It also takes account of sector-specific circumstances. The Executive Board of GRAMMER AG has defined a quota of 15% for the first management level below the Executive Board and 20% for the second level below the Executive Board by September 30, 2025. 25% of women were employed at the first management level below the Executive Board as of December 31, 2021. The target was thus exceeded. At the second level approximately 11% of women were employed as of the reporting date. In comparison to the previous year, the targeted level declined and was not met as of December 31, 2021. This was partly due to the introduction of a new job assessment system and the regional reorganization which resulted in a shift in the ratio.

In the period under review, the composition of the Supervisory Board in terms of the representation of women and men complied with the statutory minimum representation requirements.

Diversity policy for the Executive Board and long-term succession planning

When selecting members of the Executive Board, the Supervisory Board looks at their personal suitability, integrity, the presence of convincing leadership qualities, international experience, professional qualifications for the area of responsibility to be taken on, past performance, knowledge of the Company and ability to adapt business models and processes in a changing world.

Diversity is an important selection criterion when Executive Board positions are filled and also includes aspects such as age, gender and educational and professional background. When selecting members of the Executive Board, the Supervisory Board also considers the following aspects in particular:

In addition to the specific technical knowledge and management and leadership experience required for the task in question, the members of the Executive Board should possess as broad a range of knowledge and experience as possible as well as educational and professional backgrounds.

With a view to the Company's international orientation, the composition of the Executive Board should take into account international profiles in the sense of different cultural backgrounds or international experience.

The Executive Board as a whole should have experience in the business segments that are important for GRAMMER, particularly the industrial and automotive sectors.

The Executive Board as a whole should have many years of experience in research and development, technology, purchasing, production and sales, finance, as well as legal matters (including compliance) and human resources.

When Executive Board positions are filled, the target set by the Supervisory Board for the representation of women on the Executive Board must be taken into account. The Supervisory Board has set a target of 33% for the representation of women on the Executive Board.

It is considered helpful to have different age groups represented on the Executive Board. In accordance with the recommendations of the German Corporate Governance Code, the Supervisory Board has set an age limit for the members of the Executive Board. Consequently, persons appointed to the Executive Board should not be older than 63 at the time of their initial or reappointment.

A decision on filling a specific position on the Executive Board is always based on the interests of the Company, taking into account all the circumstances of the individual case.

Implementation of the diversity policy for the Executive Board

The diversity policy for the Executive Board is implemented as part of the appointment process. The Supervisory Board and/or the Personnel and Mediation Committee observe the requirements set out in the diversity policy for the Executive Board when selecting candidates or proposing candidates for appointment to the Executive Board.

The members of the Executive Board possess a broad range of knowledge and experience, as well as educational and professional backgrounds and have international experience. The Executive Board as a whole possesses all the knowledge and experience considered essential in view of GRAMMER's activities. The Executive Board as a whole has experience in the business segments that are important for GRAMMER. Appropriate consideration is given to women, with the Executive Board comprising two men and one woman. No member of the Executive Board is currently older than 63.

Long-term succession planning for the Executive Board

Together with the Executive Board, the Supervisory Board is responsible for long-term succession planning for the Executive Board and is supported here in a preparatory capacity by the Personnel and Mediation Committee. In addition to the requirements of the German Stock Corporation Act and the recommendations of the Code, long-term succession planning takes into account the target set by the Supervisory Board for the representation of women on the Executive Board as well as the criteria defined in the diversity policy adopted by the Supervisory Board for the composition of the Executive Board. Taking into account the specific qualification requirements and the aforementioned criteria, the Personnel and Mediation Committee prepares an ideal profile, on the basis of which it draws up a shortlist of available candidates. Structured interviews are conducted with these candidates. A recommendation is then submitted to the Supervisory Board. If required, the Supervisory Board and/or the Personnel and Mediation Committee are supported by external consultants in the definition of job profiles and the selection of candidates.