



## **Declaration of Compliance**

### **with the German Corporate Governance Code**

Waldenburg, December 2023

*R. STAHL AG has complied with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated April 28, 2022 ("Code 2022"), published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on June 27, 2022, since the last Declaration of Conformity was issued in December 2022 and will continue to comply with them in the future, with the following exceptions:*

#### **B. 5**

*An age limit shall be specified for members of the Management Board and disclosed in the Corporate Governance Statement.*

An age limit for members of the Executive Board was not and is not specified. When filling executive positions, R. STAHL focuses on the qualifications, professional expertise and experience of the respective Executive Board members.

#### **C.1 sentence 1 - 5**

*The Supervisory Board shall determine concrete objectives regarding its composition, and shall prepare a profile of skills and expertise for the entire Board. In doing so, the Supervisory Board shall observe diversity. The competence profile of the Supervisory Board shall also include expertise on sustainability issues that are important for the company. Proposals by the Supervisory Board to the General Meeting shall take these objectives into account, while simultaneously aiming at fulfilling the overall profile of required skills and expertise of the Supervisory Board.*



*The status of implementation is to be disclosed in the form of a qualification matrix in the corporate governance statement.*

The Supervisory Board does not consider it useful to give itself an abstract competence profile for the entire body, so it is not possible to report on the status of implementation. Rather, criteria such as internationality, expertise on sustainability issues important to the company, potential conflicts of interest, the number of independent Supervisory Board members and diversity - after determining and weighting the desired competencies in each individual case - are taken into account in the intensive and deliberative search for suitable candidates.

## **C.2**

*An age limit shall be specified for members of the Supervisory Board and disclosed in the Corporate Governance Statement.*

As regards proposals for Supervisory Board members, an age limit has not been and is not considered. Competence and health are more crucial factors to consider than age. Furthermore, the Supervisory Board does not consider appropriate to define a regular limit of length of membership in the Supervisory Board, as it will take care of a generational change in time, as already shown in the past.

## **D.4**

*The Supervisory Board shall form a Nomination Committee, composed exclusively of shareholder representatives, which proposes suitable candidates to the Supervisory Board for its recommendations to the General Meeting.*

R. STAHL does not have an independent nomination committee as described above. We are of the opinion that the size of our Supervisory Board (six shareholder representatives) does not justify a committee dedicated to the proposal of Supervisory Board nominees. According to the Rules of Procedure of the Supervisory Board (available [here](#)), the shareholder representatives on the Administrative Committee recommend suitable candidates to the full Supervisory Board for its election proposals to the Annual General Meeting.



#### **D. 9**

*The Supervisory Board, or the Audit Committee, shall arrange for the external auditors to inform it and note in the audit report if, during the performance of the audit, the external auditors identify any facts that indicate an inaccuracy in the Declaration of Compliance regarding the recommendations of the Code issued by the Management Board and Supervisory Board.*

The auditor checks whether the declaration has been adopted and made available. Furthermore, as part of the audit, he checks whether anything significant is apparent that contradicts his findings from the audit. In view of the size of the company and the structures at R. STAHL, the Executive Board and the Supervisory Board do not consider a detailed examination beyond this to be necessary.

#### **F.2**

*The consolidated financial statements and the group management report shall be made publicly accessible within 90 days from the end of the financial year, while mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period.*

Consolidated financial statements and management reports are published within four months of the end of the financial year in accordance with the statutory deadlines. We publish the key financial data for a fiscal year in advance within 90 days of the end of the fiscal year, in line with the time frame of the recommendation formulated in the GCGC.

Mandatory financial information during the year is published within the time frame of the recommendations formulated by the GCGC, unless otherwise stipulated by legal deadlines.

#### **F. 5**

*The company shall keep previous Corporate Governance Statements and Declarations of Compliance regarding the recommendations of the Code available on its website for a period of at least five years.*



For the corporate governance statement in general, this (new) recommendation is complied with starting with the statement for the 2019 financial year, but not for the previous financial years.

#### **G.10**

*Taking the respective tax burden into consideration, Management Board members' variable remuneration shall be predominantly invested in company shares by the respective Management Board member or shall be granted predominantly as share-based remuneration. Granted long-term variable remuneration components shall be accessible to Management Board members only after a period of four years.*

This recommendation is only complied with to the extent that 50% of the annual basic salary is to be invested in shares of the company and 30% of the payment of the long-term variable remuneration is to be invested in shares of R. STAHL AG until this target is reached (see page 7 of the remuneration report for the 2022 financial year). Furthermore, a three-year plan is drawn up at R. STAHL. The long-term variable remuneration (LTI) is calculated on this basis and approved by the company's Annual General Meeting.