

## **Summarised declaration on corporate governance pursuant to Section 289f HGB and Group declaration on corporate governance pursuant to Section 315d HGB / 2022**

### **Introduction**

Corporate Governance means the nationally and internationally recognised standards for good and responsible management. Efficient cooperation between the Board of Management and the Supervisory Board, attention to the interests of the shareholders as well as the openness and transparency of corporate communications are key aspects of good corporate governance. The Board of Management and the Supervisory Board of PNE AG traditionally adhere to these standards and to the publicly accessible and binding Code of Conduct of the PNE Group, which applies to all enterprises and employees of the PNE Group.

### **German Corporate Governance Code**

In 2002, the first German Corporate Governance Code (hereinafter referred to as "Code") was introduced in Germany by the Government Commission of the same name. As a general rule, the Code is reviewed and, if necessary, amended in respect of national and international developments. The latest amendments were approved by the Government Commission on December 16, 2019 and published in the Federal Gazette on March 20, 2020. The Code can be downloaded in its currently valid version on the internet page [www.dcgk.de/de/](http://www.dcgk.de/de/).

The cross-industry and cross-company recommendations and suggestions of the Code are not mandatory. However, Section 161 of the German Stock Corporation Act (AktG) requires an annual declaration by the Board of Management and the Supervisory Board whether the recommendations of the Code have been and are being complied with and which recommendations have not been and are not being applied. This takes place in a so-called "declaration of compliance". Below you will find the full declaration of compliance last issued by the Board of Management and the Supervisory Board of PNE AG. Apart from the recommendations, the Code also includes suggestions, the application of which is also not mandatory; a declaration concerning any deviations from suggestions is also not mandatory.

For the Board of Management and the Supervisory Board of PNE AG, the recommendations and suggestions of the Code are, like the legal regulations, an integral part of their activity for the Company. They review their adherence to these standards at regular intervals so that appropriate compliance with these standards is guaranteed for the shareholders, the employees and last but not least for the Company and its domestic and foreign subsidiaries.

The last declaration of compliance was issued in September 2021 with the following text:

### **"Declaration of compliance pursuant to Section 161 of the Stock Corporation Act (AktG):**

The Management and Supervisory Boards of PNE AG declare that the recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette as amended have been and are being complied with, with the exception of the recommendations listed below.

The German Corporate Governance Code as amended on December 16, 2019 and published in the Federal Gazette on March 20, 2020 ("2020 Code") was applied for the period since the submission of the last declaration of compliance on September 15, 2020:

#### **1. Long-term succession planning (Recommendation B.2 of the 2020 Code)**

Pursuant to Recommendation B.2 of the 2020 Code, the supervisory board shall work together with the management board to ensure long-term succession planning; the procedure shall be described in the corporate governance statement.

Due to the current composition of the Board of Management and the current terms of office, there is currently no reason for concrete succession planning. The Supervisory Board, together with the Board of Management, has therefore not yet drawn up a concept for long-term succession planning.

Irrespective of this, the topic of succession planning is regularly addressed by the Supervisory Board and in discussions with the Board of Management. Consultations are held on the terms of contract and renewal options for current members of the Board of Management and possible candidates. Furthermore, the management level below the Board of Management has been strengthened to ensure a continuous exchange of knowledge.

As a precautionary measure, a deviation from Recommendation B.2 of the 2020 Code is hereby declared.

## **2. Specification of concrete objectives for the composition of the Supervisory Board (Recommendation C.1 of the 2020 Code)**

Pursuant to Recommendation C.1 of the 2020 Code, the supervisory board shall specify concrete objectives for its composition and draw up a competence profile for the entire body. When doing so, the supervisory board shall pay attention to the aspect of diversity. Proposals submitted by the supervisory board to the general meeting of shareholders should take account of these objectives and at the same time aim to complement the competence profile for the entire board. The status of implementation shall be published in the corporate governance statement. This statement shall also provide information on the number of independent shareholder representatives deemed appropriate by the shareholder representatives on the supervisory board and the names of these members.

The Company deviates from these recommendations. Section 8 (2) of the Articles of Association merely stipulates that Supervisory Board members may not be elected for a period longer than until the end of the ordinary general meeting in the year in which the member of the Supervisory Board reaches the age of 75. Furthermore, the Supervisory Board's rule of procedure stipulate that the Supervisory Board should have a sufficient number of independent members in its opinion and that no more than two former members of the Board of Management should be among the Supervisory Board members. In addition, the Supervisory Board has set targets for the proportion of women on the Supervisory Board, which are being met.

Moreover, the composition of the Supervisory Board has to be aligned to the interests of the enterprise and to ensure the effective supervision and consultation of the Board of Management. This means that the qualification of the individual is the main criterion. In its discussions for election proposals to the general meeting, the Supervisory Board also takes into account the increasingly international activity of the enterprise, potential conflicts of interest, industry and management experience as well as diversity.

However, in order not to further restrict the selection of suitable candidates in the interests of the Company, the Supervisory Board confines itself to this general declaration of intent. The Supervisory Board does not set specific objectives or competence profiles and therefore does not report on the status of their implementation or on the number and names of independent shareholder members, unless this is already required by law, nor does it intend to do so in the future.

## **3. Training and professional development measures for members of the Supervisory Board (Recommendation D.12 of the 2020 Code)**

Pursuant to Recommendation D.12 of the 2020 Code, a company shall provide appropriate support to supervisory board members upon their inauguration and during training and

professional development measures and shall report on the implemented measures in the report of the supervisory board.

The Supervisory Board refrains from reporting in the Supervisory Board's report about training and professional management measures for individual members as well as measures to support them upon their inauguration.

Upon taking office, new Supervisory Board members are internally instructed and supported in the work of the Supervisory Board commensurate to their previous knowledge. In addition, the Supervisory Board members are responsible for their own training and professional development measures. If necessary, they will be supported by the Company.

A deviation from Recommendation D.12 of the 2020 Code is hereby declared in this respect.

#### **4. Definition of performance criteria for all variable components of the remuneration of the Management Board members (Recommendation G.7 of the 2020 Code)**

Pursuant to Recommendation G.7 of the 2020 Code, the supervisory board is to determine the performance criteria for all variable remuneration components for each member of the management board for the coming financial year, which in addition to operational objectives, are to be based, above all, on strategic objectives. The supervisory board is to determine the extent to which individual goals for the individual management board members or goals for all management board members together are to be decisive.

In addition to the development of the share price and personal goals, the performance criterion for variable remuneration is based on the development of operating results.

Strategic objectives as such are currently not defined. However, the Supervisory Board assumes that the performance criterion of the development of the share price and the long-term Group EBIT or Group EBITDA is significantly influenced by the strategic success of the Company.

However, as a precautionary measure, a deviation from Recommendation G.7 of the 2020 Code is hereby declared.

#### **5. Long-term variable remuneration components (Recommendation G.10 of the 2020 Code)**

Pursuant to Recommendation G.10 of the 2020 Code, the variable remuneration amounts granted to a management board member are to be invested predominantly in shares of the company or granted on a share basis, taking into account the respective tax liability. A management board member may dispose over the granted long-term variable amounts after four years only.

The current employment agreements do not provide for the variable remuneration amounts granted to the Management Board members to be invested predominantly in shares of the Company or granted on a share basis, taking into account the respective tax liability.

Variable remuneration is granted in cash. The Supervisory Board is of the opinion that the current regulation, according to which the long-term variable remuneration amounts depend to a certain extent on the share price development, provides a sufficient incentive for favourable share price development among the Management Board members.

A deviation from Recommendation G.10 of the 2020 Code is hereby declared.

#### **6. Claim to restitution of variable remuneration (Recommendation G.11 of the 2020 Code)**

Pursuant to Recommendation G.11 of the 2020 Code, the supervisory board shall have the possibility to account for extraordinary developments to an appropriate extent. In justified cases, it is to be possible to withhold or reclaim variable remuneration.

The employment agreements with the Management Board members currently do not contain any provision according to which variable remuneration can be withheld or reclaimed. In the opinion of the Supervisory Board, extraordinary developments are taken into account to an appropriate extent by linking the variable remuneration to, among other things, the consolidated EBIT or the consolidated EBITDA. In addition, the Supervisory Board considers the liability regulations stipulated by law to be sufficient to reclaim any amounts.

A deviation from Recommendation G.11 of the 2020 Code is hereby declared.

#### **7. Variable remuneration upon cessation of the employment agreement (Recommendation G.12 of the 2020 Code)**

Pursuant to Recommendation G.12 of the 2020 Code, in the event of the cessation of an employment agreement with a management board member, the payment of outstanding variable remuneration components attributable to the period up to the cessation of the contract is to be made in accordance with the originally agreed targets and benchmark parameters and in accordance with the due dates or holding periods specified in the contract.

The employment agreements of the Management Board members do not provide for the payment of outstanding variable remuneration components attributable to the period up to the cessation of the contract to be made in accordance with the originally agreed targets and benchmark parameters and in accordance with the due dates or holding periods specified in the agreement.

The employment agreements of the Management Board members stipulate that in the event of cessation of the agreement, the variable remuneration is to be determined ahead of time on a lump-sum basis. The Supervisory Board considers the complete cessation with immediate compensation of all outstanding remuneration benefits to be a proper and appropriate procedure to ensure the transparent and speedy settlement of contracts.

A deviation from Recommendation G.12 of the 2020 Code is hereby declared.

Cuxhaven, September 10, 2021"

#### **Information on corporate governance practices**

In addition to the recommendations, the German Corporate Governance Code also includes suggestions. A description and justification of the deviations from these suggestions is not required by law. However, PNE also bases its corporate governance on the suggestions of the German Corporate Governance Code.

For the Board of Management and the Supervisory Board, the recommendations and suggestions of the German Corporate Governance Code are, like the legal regulations, an integral part of their daily work.

For PNE, sustainable economic, ecological and social behaviour that respects applicable law is an indispensable element of corporate culture. This also includes trust, respect and integrity in dealing with one another. The concrete principles and basic rules for our actions and our conduct towards business partners and the public are summarised in the Code of Conduct.

Compliance, as the entirety of group-wide measures to adhere to laws, regulations and binding internal rules, is an important management and monitoring task at PNE.

The Code of Conduct is binding on all employees of the PNE Group worldwide. It defines basic, globally applicable standards of conduct and describes what conduct is expected of employees. It is the task of

superiors to support their employees in this. Even a single employee's violation of the law can seriously damage PNE's reputation and cause considerable - even financial - harm to the Company. PNE does not tolerate violations of the law and will not protect those responsible from sanctions by the authorities. In most cases, violations can be avoided by seeking advice from supervisors, the responsible department or the compliance officer at an early stage. In addition, any alleged or actual violation of laws or company policies must be reported. There were no compliance cases in the 2021 fiscal year.

### **Procedure and composition of the Board of Management and the Supervisory Board as well as their committees**

PNE AG is a stock corporation established under German law. A basic principle of the German Stock Corporation Law is the dual management system with the statutory bodies of the Board of Management and Supervisory Board, which both have their own different competences. The Board of Management and the Supervisory Board of PNE AG cooperate closely and with full mutual confidence in the control and monitoring of the Company.

The Supervisory Board appoints the members of the Board of Management and can appoint one of its members as Chairman of the Board of Management. The Board of Management of PNE AG currently consists of the following members, whose cooperation and distribution of responsibilities are specified in the internal regulations of the Board of Management:

Markus Lesser, Chief Executive Officer (CEO), responsibilities: Project Development New Markets, Project Development Onshore National and International, Project Development Offshore, PNE Services, Commercial Solutions and Business Development.

Jörg Klowat, Member of the Board of Management (CFO), responsibilities: shared services (legal & compliance, controlling, finance, IT, facility & vehicle fleet management, human resources, shareholdings & IPP).

The current period of office ends for the CEO Mr. Lesser on December 31, 2023 and for Mr. Klowat on March 31, 2024.

The Board of Management has not established any committees.

The Board of Management manages the Company under its own responsibility and must apply the due care of good and responsible management in this respect.

The Supervisory Board consults and supervises the Board of Management concerning the management of the Company. With regard to significant business transactions such as major investment transactions or changes in the corporate structure, the Board of Management requires the prior approval of the Supervisory Board. The list of the business transactions subject to such approval is included in the internal regulations of the Board of Management.

The Board of Management informs the Supervisory Board at regular intervals in writing and at the meetings of the Supervisory Board in written and oral reports about the development of the business and the situation of the Company. In addition, the Board of Management reports to the Supervisory Board in writing about exceptional events. Moreover, the Chairman of the Supervisory Board is regularly informed by the Board of Management in individual discussions.

In accordance with the law and the articles of association, the Supervisory Board of PNE AG is composed of six members, who are elected by the general meeting of shareholders. The Supervisory board elects a Chairman and a Deputy Chairman from its midst. In the 2021 fiscal year, the Supervisory Board had the following members:

Per Hornung Pedersen (Chairman of the Supervisory Board) since October 23, 2015

Christoph Oppenauer (Deputy Chairman) since May 20, 2020

Dr. Susanna Zapreva since May 22, 2019

Marcel Egger since May 31, 2017

Florian Schuhbauer since May 31, 2017

Alberto Donzelli since May 20, 2020

The term of office of the Supervisory Board members Christoph Oppenauer, Marcel Egger and Florian Schuhbauer ends at the end of the general meeting of shareholders in 2022. The period of office of the Supervisory Board members Dr. Susanna Zapreva, Alberto Donzelli and Per Hornung Pedersen ends at the end of the general meeting of shareholders in 2026.

From among its members the Supervisory Board of PNE AG set up the following three committees:

1. Personnel Committee  
Per Hornung Pedersen (Chairman)  
Florian Schuhbauer  
Christoph Oppenauer  
Alberto Donzelli

2. Audit Committee  
Marcel Egger (Chairman)  
Dr. Susanna Zapreva  
Christoph Oppenauer

3. Appointments Committee  
Per Hornung Pedersen (Chairman)  
Florian Schuhbauer  
Christoph Oppenauer  
Alberto Donzelli

The Committees prepare the resolutions of the Supervisory Board as well as the topics which are to be discussed at the full Board meetings. Moreover, the Supervisory Board has transferred powers of decision to the Committees to a legally permissible extent. The distribution of tasks and competences is specified in the internal regulations of the Supervisory Board. Through this it is guaranteed that the full Supervisory Board is kept informed about the findings and decisions of the Committees.

The Personnel Committee prepares the personnel decisions of the Supervisory Board, in particular the appointment, dismissal and the prolongation of the appointment of members of the Board of Management. Furthermore, it prepares the resolutions of the Supervisory Board concerning the determination (including a possible reduction) of the total remuneration of the Board of Management.

The Audit Committee is responsible for monitoring the accounting process and for supervising the effectiveness of the internal controlling, risk management and audit systems. It also deals with the audit of financial statements, including audit quality, as well as compliance issues. The Chairman of the Audit Committee, Mr. Marcel Egger, is an independent financial expert and has, on the basis of his professional experience, specific knowledge and experience in the areas of accounting and auditing.

In accordance with the recommendation in clause D.5 GCGC, the Appointments Committee is responsible for naming suitable candidates to the Supervisory Board for its proposals to the general meeting of shareholders. It has a consulting function in this respect.

#### **Internal regulations of the Supervisory Board**

The internal regulations of the Supervisory Board dated March 19, 2020 are published on the Company's website at [www.pne-ag.com](http://www.pne-ag.com) in the Investor Relations section.

#### **Self assessment**

In accordance with recommendation D.13 of the GCGC 2020, the Supervisory Board conducts a self-assessment every two years how effective the Supervisory Board as a whole and its committees fulfil their tasks. For the self-assessment, a questionnaire is distributed to all members, in which the Supervisory Board members can provide their assessment of the effectiveness of the procedures of the Supervisory Board and its committees and suggest areas for improvement. The questionnaire is evaluated by the Chairman of the Supervisory Board. The results and the possibilities for improvement will be discussed at the next meeting.

### **Concept of diversity**

The Supervisory Board does not pursue an (abstract) diversity concept with regard to the composition of the Board of Management and the Supervisory Board. The Declaration of Compliance in relation to the German Corporate Governance Code explains regarding Code recommendation C.1 that the Supervisory Board, apart from the other objectives specified there, regards the objective of diversity as important and takes account of it in the choice of suitable candidates. Accordingly, targets were set for the proportion of women on the Supervisory Board, the Board of Management and at levels below the Board of Management. Moreover, the composition of the Supervisory Board must be aligned with the interests of the enterprise and ensure the effective supervision and consultation of the Board of Management. Irrespective of this, the qualification of the individual is of primary importance. In its discussions for election proposals to the general meeting, the Supervisory Board also takes into account the increasingly international activity of the enterprise, potential conflicts of interest, industry and management experience as well as diversity. However, in order not to further restrict the selection of suitable candidates in the interests of the Company, the Supervisory Board confines itself to this general declaration of intent.

### **Age limits for members of the Board of Management and the Supervisory Board**

The age limit for members of the Board of Management is their respective statutory retirement age. According to § 8 (2) of the articles of association, members of the Supervisory Board shall not be elected for a period beyond the end of the ordinary general meeting in the year in which the member of the Supervisory Board reaches the age of 75.

### **Targets regarding the proportion of women in the Board of Management and Supervisory Board as well as the two management levels below the Board of Management**

In August 2019, the Supervisory Board determined that the target figure for the proportion of women on the Board of Management, which is to be achieved by December 31, 2023, shall be zero. This target figure was achieved by the current composition of the Board of Management with Markus Lesser (CEO) and Jörg Klowat (CFO). The members of the Board of Management were appointed until December 31, 2023 and March 31, 2024, respectively. Hence, it was impossible for the Supervisory Board to foresee that women will sit on the Board of Management prior to December 31, 2023. Considering this situation, the Supervisory Board thought it would be consistent to determine a target number of zero for the period ending on December 31, 2023.

Furthermore, in May 2017, the Supervisory Board also determined that the target for the proportion of women on the Supervisory Board shall be one sixth (16.67 percent) to be fulfilled by the end of the general meeting on which the shareholders resolve upon the official approval of the Board of Management actions during the 2021 financial year. The target that women should make up one sixth of the Supervisory Board members was achieved with the appointment of Dr. Susanna Zapreva.

Irrespective of this, the Supervisory Board decided that the aspect of diversity should be generally considered when recruiting personnel for any PNE AG management positions.

Apart from the above, the Board of Management determined the targets for the proportion of women at the two management levels below the Board of Management in June 2017 as follows:

A target of 16 to 30 percent - to be achieved by March 31, 2025 - was determined for the proportion of women at the first management level below the Board of Management, which includes the divisional heads and the departmental heads reporting directly to the Board of Management. A target of 30 to 40 percent - to be achieved by March 31, 2025 - was determined for the proportion of women at the second management level below the Board of Management, which includes the other departmental heads. The targets for the proportion of women at the two management levels below the Board of Management were fulfilled on December 31, 2021.

### **Remuneration of the Board of Management and the Supervisory Board**

The remuneration granted and owed in the last fiscal year to each individual current or former member of the Board of Management and the Supervisory Board of PNE AG and of companies of the PNE Group (Section 290 HGB) is published each year in the remuneration report. The remuneration report will be

published on the website of PNE AG ([www.pne-ag.com](http://www.pne-ag.com)) in the "Investor Relations" section under "Corporate Governance" after the general meeting of shareholders has passed a resolution on its approval, together with the auditor's report. The applicable remuneration system for Management Board members, which was resolved by the Supervisory Board and submitted to the annual general meeting for approval, is also publicly available there. In addition, the last resolution of the general meeting of shareholders regarding the remuneration of the Supervisory Board members is available on this site.

### **Share transactions of the Board of Management and the Supervisory Board**

Section 19 of the Market Abuse Regulation (MAR) obliges the members of the Board of Management and the Supervisory Board of PNE AG as well as other persons who have regular access to insider information that is directly or indirectly related to the enterprise and who make major corporate decisions regarding future developments and business perspectives to report transactions in respect of PNE AG's financial instruments (so-called directors' dealings) to the Federal Financial Supervisory Authority (BaFin), provided that the total amount of such transactions exceeds the sum of € 20,000 per calendar year. This obligation also applies to individuals and legal entities who/which are closely related to one of the above-mentioned persons. PNE AG must immediately publish the notice received.

### **Accounting and audit**

The consolidated financial statements as well as the interim financial reports of PNE AG are drawn up by the Board of Management on the basis of the International Financial Reporting Standards (IFRS), as are to be applied in the European Union. The annual financial statements of PNE AG are drawn up in accordance with the regulations of the German Commercial Code (HGB). The consolidated financial statements and the annual report are audited by the auditors and examined by the Supervisory Board. The half year financial report is subject to a review by the auditors. The interim financial reports at the end of the first and third quarters are neither audited nor reviewed by the auditors. They are, however, discussed between the Board of Management and the Audit Committee prior to publication.

The 2021 general meeting of shareholders elected Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, as the auditors for the consolidated financial statements and the annual report. Prior to the election, Deloitte issued a so-called declaration of independence on March 17, 2021 as recommended by the German Corporate Governance Code. On the basis of this declaration, there were (and are) no doubts regarding the independence of Deloitte as auditors.

According to contractual agreements with the auditors, the Supervisory Board shall be informed immediately regarding:

- Reasons for exclusion or partiality, which may occur during the audit,
- Findings or events, which may result during the course of the audit and which are significant for the tasks of the Supervisory Board, as well as
- Findings which indicate an error in the declarations given by the Board of Management and the Supervisory Board in respect of the German Corporate Governance Code.

### **Transparent corporate communications**

Open and transparent corporate communications are a key integral part of good corporate governance. Apart from clear and comprehensible content, this aspect also requires equal access by all target groups to the information of the Company. PNE AG places great importance on the internet as a medium independent of place and time as well as for freely accessible information. Accordingly, a visit to the internet page of PNE AG ([www.pne-ag.com](http://www.pne-ag.com)) gives the interested public access to a wide variety of well-structured information concerning the whole Company. In the "Investor Relations" section, comprehensive financial and economic information on PNE AG can be downloaded, such as annual reports and interim financial reports as well as insider information and press announcements. All information is available in both German and English.

The planned dates of the major recurring events, i.e. publication of annual accounts and interim financial reports as well as the dates of general meetings of shareholders and of the analyst conference, are indicated in a financial calendar. It is published in good time in advance on the website of PNE AG ([www.pne-ag.com](http://www.pne-ag.com)) in the "Investor Relations" section under "Events".