

## **WashTec AG, Augsburg**

### **Declaration of Conformity of December 16, 2021 pursuant to Section 161 AktG**

The Management Board and Supervisory Board submitted the last Declaration of Conformity on December 17, 2020, and a revised Declaration of Conformity on March 24, 2021.

The Management Board and Supervisory Board declare that since submission of the revised Declaration of Conformity on March 24, 2021, WashTec AG has complied with the recommendations of the German Corporate Governance Code (the "Code") issued by the Government Commission on the German Corporate Governance Code as amended on April 16, 2019, with the following exceptions:

In the first sentence of Recommendation G.10, the Code recommends predominantly share-based variable remuneration for the Management Board. The long-term variable remuneration under the Long Term Incentive Program ("LTIP") contains significant share price-based components. These include the total shareholder return target weighted at 30% under the LTIP, which is used to assess the share price performance over the duration of the three-year incentive period. In light of this, the Management Board and Supervisory Board, as a purely precautionary measure, declare an exception from the first sentence of Code Recommendation G.10. It should be noted in this connection that the LTIP provides for the possibility, subject to fulfillment of specified conditions, of increasing the remuneration under the LTIP by up to a maximum of twofold by means of a corresponding personal investment in WashTec AG shares. This option provides a clear incentive for members of the Management Board to take a stake in the risks and rewards of the share price performance.

Furthermore, the second sentence of Code Recommendation G.10 recommends that granted long-term variable remuneration amounts should be accessible to Management Board members only after a period of four years. The incentive period under the LTIP is three years and is based on the regular term of Management Board contracts, which is likewise three years. In view of this three-year cycle, the Management Board and Supervisory Board consider a three-year period under the LTIP to be appropriate. In light of this, the Management Board and Supervisory Board declare an exception from the second sentence of Code Recommendation G.10. The Code is complied with to the extent that one-sixth of the final cash award from the personal investment LTIP component is subject to an obligation to purchase shares with a three-year holding period.

The system for the remuneration of the members of the Management Board of WashTec AG resolved by the Supervisory Board in its meeting on March 24, 2021 and approved by the Annual General Meeting of WashTec AG on May 18, 2021 applies to all Management Board Service Contracts to be newly concluded or extended after the Annual General Meeting on May 18, 2021. The current LTIP for the Management Board that includes a negative bonus/clawback arrangement was adopted with effect from January 1, 2021 and applies to all Management Board members. Furthermore, with regard to the current Management Board contracts with the incumbent members of the Management Board of WashTec AG, these contracts will be continued until the end of the contract term under the conditions provided for therein. The Code Recommendations G.11 sentence 2 (Retention and clawback

of variable compensation) and G.13 sentence 2 (Severance payments taken into account in the calculation of any compensation payments if a post-contractual non-complete clause applies) are not implemented in the current Management Board contracts. This is based on the fact that the current Management Board contracts were concluded on the basis of the previous remuneration system resolved by the Supervisory Board on December 19, 2019.

The second sentence of Code Recommendation G.18 specifies that any performance-related remuneration for the Supervisory Board should be geared to the long-term development of the Company. The Supervisory Board of WashTec AG is granted annual performance-based remuneration under the Articles of Association and long-term performance-based remuneration in accordance with the resolution of the 2018 Annual General Meeting ("Supervisory Board LTIP"). Furthermore, a new Long Term Incentive Program for the Supervisory Board for the period from January 1, 2022 to December 31, 2024 was resolved by the Annual General Meeting on May 18, 2021. The Management Board and Supervisory Board are proceeding on the assumption that the recommendation will be complied with and, as a precautionary measure, declare that the maximum achievable cash award under the Supervisory Board LTIP, broken down pro rata for each year, will generally exceed the maximum achievable annual performance-based remuneration.

Augsburg, December 16, 2021

Management Board and Supervisory Board

*Further information about corporate governance can be found in the Corporate Governance Report and Corporate Governance Declaration in the annual reports of WashTec AG and on the Internet at [www.washtec.de](http://www.washtec.de).*