

Translation of the Declaration of conformity under Article 161 of the German Stock Corporation Act (Aktiengesetz – AktG) with regard to the German Corporate Governance Code (DCGK) of Blue Cap AG: the German version is authoritative.



**BLUE CAP**

## **Declaration of conformity under Article 161 of the German Stock Corporation Act (Aktiengesetz – AktG) with regard to the German Corporate Governance Code (DCGK)**

The Executive Board and Supervisory Board of Blue Cap AG, Munich are not obliged to make a declaration of conformity under Article 161 AktG, but in the interests of providing information to the shareholders and the capital market have decided to voluntarily make a declaration with regard to the recommendations of the German Corporate Governance Code. The recommendations of the German Corporate Governance Code (version of 28 April 2022) (“DCGK 2022”) are currently complied with and will be in the future, with the following exceptions:

### **Diversity when filling management positions in the company** (Recommendation A.2 of DCGK)

According to Recommendation A.2 the Executive Board should ensure diversity when filling management positions in the company.

The Executive Board of Blue Cap AG has further stepped up its efforts to ensure diversity when filling management positions in the company, as it is convinced that a diverse management team is in the best interests of Blue Cap AG and its success as a business. In particular, as of 31.12.2022 the share of women in the first management tier in the Blue Cap Group stands at approx. 13%, with an approx. 24% share in the second tier of management. The Executive Board is endeavouring to increase the share of women, by the end of the financial year 2025, to 20% in the first management tier and 30% in the second.

### **Sustainability targets within the framework of the internal control system and risk management system** (Recommendation A.3 of DCGK 2022)

According to Recommendation A.3 the internal control system and risk management system should also cover sustainability targets, unless they are already legally required. This should include processes and systems for recording and processing sustainability data.

Since the financial year 2021, Blue Cap AG has integrated sustainability criteria into the company strategy, defined sustainability criteria and indicators and published a declaration under the German Sustainability Code (DNK) in accordance with the CSR Directive Implementation Act (*CSR-Richtlinie-Umsetzungsgesetz*). The inclusion of sustainability targets in the internal control system, including the definition of processes and systems for the recording and processing of sustainability data, is a continual process which is currently still ongoing.

### **Diversity in the composition of the Executive Board** (Recommendation B.1 of DCGK 2022)

According to Recommendation B.1, the Supervisory Board should ensure diversity in the composition of the Executive Board.

The Supervisory Board explicitly welcomes all efforts to counteract any form of discrimination and appropriately further diversity. Gender and internationality have been taken into account in the past, though as yet they have not been decisive factors in appointment decisions. When filling vacancies in the Executive Board, the Supervisory Board will pay special attention to the issue of diversity, besides other selection criteria such as competence and qualifications.

### **Description of succession planning in the declaration on business management** (Recommendation B.2 of DCGK 2022)

According to Recommendation B.2, the declaration on business management should describe the procedure whereby the Supervisory Board ensures long-term succession planning together with the Executive Board.

The Supervisory Board regularly discusses the long-term succession planning of the members of the Executive Board. Furthermore, the Supervisory Board has the aim of initiating, one year before the expiry of the Executive Board contracts, talks with the respective member of the Executive Board on the extension or termination of the contract. Recommendation B.2 is therefore only deviated from in that the procedure cannot be described in the declaration on business management, as Blue Cap AG does not make such a declaration due to the fact that its shares are listed on the over-the-counter market.

### **Disclosure in the declaration on business management of a qualifications matrix with regard to the implementation status of the Supervisory Board's competency profile** (Recommendation C.1 of DCGK 2022)

According to Recommendation C.1, the Supervisory Board should state specific targets for its composition and develop a competency profile for the entire body. In this context the Supervisory Board should ensure diversity. The competency profile of the Supervisory Board should also include expertise on sustainability issues being significant for the company. Proposals submitted by the Supervisory Board to the General Meeting should take these targets into account and at the same time aim to fill out the competency profile for the entire body. The implementation status should be disclosed in the declaration on business management in the form of a qualifications matrix, which should also provide information on the number of independent shareholder representatives deemed appropriate by the shareholder representatives in the Supervisory Board and the names of those members.

The Supervisory Board has set itself the goal of appointing suitable female members to at least two of the five positions in the Supervisory Board, assuming equal professional and personal suitability of the available candidates. This target was already achieved in the financial year 2022. Furthermore, in the view of the shareholder representatives in the Supervisory Board all the members of the Supervisory Board should be considered independent.

There is only a deviation from Recommendation C.1 in that the Supervisory Board does not yet disclose in the declaration on business management the targets for the composition and competency profile in the form of a qualifications matrix. The Supervisory Board plans to work on and approve this objective as well as the competency profile in the form of a qualifications matrix in the financial year 2023.

### **Specification of the chairs and members of Supervisory Board committees in the declaration on business management**

(Recommendation D.2 of DCGK 2022)

According to Recommendation D.2, the respective committee members and committee chairs of the Supervisory Board should be specified by name in the declaration on business management.

Since its shares are listed on the over-the-counter market, Blue Cap AG does not make a declaration on business management, so it is not possible to name the committee members and chairs in that declaration. However the committee members and committee chairs are named in the Supervisory Board report contained in the business report.

### **Naming the relevant members of the audit committee and providing more detailed information on their expertise in the declaration on business management**

(Recommendation D.3 of DCGK 2022)

According to Recommendation D.3, the declaration on business management should name the relevant members of the audit committee and contain more detailed information on their expertise in the areas of accounting and auditing of annual financial statements.

Since the shares of Blue Cap AG are listed on the over-the-counter market, it does not make a declaration on business management. However the relevant members of the audit committee are named and more detailed information is provided on their expertise in the areas of accounting and auditing of annual financial statements in the Supervisory Board report contained in the business report.

### **Self-assessment of the Supervisory Board**

(Recommendation D.12 of DCGK 2022)

According to Recommendation D.12 the Supervisory Board should regularly assess how effective the Supervisory Board as a whole and its committees perform their duties. In the declaration on business management the Supervisory Board should report as to whether and how a self-assessment has been carried out.

The Supervisory Board implements the recommendation on self-assessment. Recommendation D.12 is only deviated from in that Blue Cap AG does not report on these issues in the declaration on business management, as the shares of Blue Cap AG are listed on the over-the-counter market and therefore it does not make a declaration on business management. The report on the self-assessment is included in the Supervisory Board report contained in the business report.

### **Time limit for the disclosure of the consolidated financial statements, the group management report and interim financial information**

(Recommendation F.2 of DCGK 2022)

According to Recommendation F.2 the consolidated financial statements and the group management report should be made publicly available within 90 days from the end of the financial year, and the required interim financial information within 45 days from the end of the reporting period.

Blue Cap AG currently does not publish the consolidated financial statements, the group management report and the interim financial information in accordance with Recommendation F.2, but within the time limits established by the German Stock Exchange for the Scale Segment. For the coming reporting year, the Executive Board plans to comply with the time limits established for the Prime Standard (consolidated financial statements and group management report within four months and semi-annual financial report within three months). Blue Cap AG considers this timeframe to be appropriate for its financial reporting in view of its size and profile.

### **Performance criteria for the variable components of Executive Board remuneration**

(Recommendation G.7 of DCGK 2022)

According to Recommendation G.7, for each member of the Executive Board the Supervisory Board should establish performance criteria for all variable remuneration components for the coming financial year which are primarily based on strategic objectives, as well as operating targets. The Supervisory Board should establish to what extent individual targets of the individual members of the Executive Board or joint targets for all members of the Executive Board are applicable.

The remuneration system for the Executive Board provides for short-term and long-term variable remuneration components (short-term and long-term incentives). The Supervisory Board of Blue Cap AG has not defined any performance criteria for the short-term variable remuneration components (short-term incentives) for the financial years 2022 and 2023, as there is considerable uncertainty with regard to the consequences of the Russian-Ukrainian war and with regard to the development of inflation and interest rates. Against the background of these uncertainties, it was to be feared that the specification of performance criteria would not be able to guarantee appropriate incentives for the members of the Management Board in all the different scenarios. The long-term variable remuneration components (long-term incentives) are based on long-term performance criteria in accordance with recommendation G.7 of the DCGK. The Supervisory Board also intends to define performance criteria for the short-term variable remuneration components in accordance with recommendation G.7 sentence 1 for the 2024 financial year.

**Variable Executive Board remuneration predominantly in shares or share-based**  
(Recommendation G.10 of DCGK 2022)

According to Recommendation G.10, the amounts of variable remuneration granted to members of the Executive Board should predominantly be in the form of shares in the company or be share-based, taking into account the respective tax burden. The Executive Board member should only be able to dispose of the long-term variable remuneration amounts after four years have elapsed.

The current Executive Board remuneration envisages, for two of the three members of the Executive Board, that the variable remuneration amounts be predominantly share-based, so Recommendation G.10 is complied with. For one member of the Executive Board the remuneration system is designed contrary to Recommendation G.10 in that the long-term variable remuneration is only partially share-based and is granted after the end of a two, three or four-year performance period. The Supervisory Board plans that Recommendation G.10 will be complied with for all members of the Executive Board from the financial year 2024.

**Remuneration for special positions on the Supervisory Board**  
(Recommendation G.17 of DCGK 2022)

According to Recommendation G.17, the higher outlays of time invested by, among others, the chair and members of committees, should be appropriately taken into account in the remuneration granted to members of the Supervisory Board. The Articles of Association of Blue Cap AG do not provide for any separate remuneration for committee members, contrary to Recommendation G.17. The additional outlays of time required for committee work is at least taken into account in that meeting fees are payable for committee meetings.

Munich, 28.04.2023

Executive Board




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Tobias Hoffmann-Becking  
Chief Executive Officer



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Matthias Kosch  
Chief Financial Officer



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Henning Eschweiler  
Chief Operating Officer

For the Supervisory Board



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Kirsten Lange  
Chair of the Supervisory Board