

Corporate Governance Statement

The corporate governance statement (pursuant to sections 289f and 315d of the German Commercial Code (HGB)) comprises the declaration of compliance pursuant to section 161 of the German Stock Corporation Act (AktG), the information on significant corporate governance practices and the description of the working principles of the Executive Board and the Supervisory Board.

This corporate governance statement is publicly accessible on the website of Brockhaus Capital Management AG (www.bcm-ag.com) at [Investors](#), [Corporate Governance](#).

I. Declaration of Compliance with the German Corporate Governance Code by the Executive Board and the Supervisory Board of Brockhaus Capital Management AG pursuant to section 161 of the AktG

The following declaration of compliance refers to the current version of the German Corporate Governance Code (the “**Code**”) dated 16 December 2019, which was published in the Federal Gazette on 20 March 2020. The Executive Board and Supervisory Board of Brockhaus Capital Management AG (the “**Company**”) declare that the Company has complied and will comply with the recommendations of the Code since its admission to the regulated market of the Frankfurt Stock Exchange on 10 July 2020, with the following departures:

1. Term of Executive Board appointments not more than three years (B.3 of the Code)

This recommendation of the Code did not exist when the current Executive Board members were appointed for five years at the time when the Company changed its legal form to that of a stock corporation. The Company is of the opinion that the five-year appointment period ensures appropriate continuity of management. The Supervisory Board will review the application of this recommendation of the Code before making first-time appointments to the Executive Board in the future.

2. Age limit for members of the Executive Board members (B.5 of the Code)

The Company does not consider the requirement for a general age limit to be a rational criterion for selecting suitable Executive Board members. In any case, the question of an age limit does not arise with the current members of the Executive

Board. In addition, when deciding on the composition of a functional and effective Executive Board, the appointment of a member with many years of experience may be in the interests of the Company, so that a general requirement for an age limit would not be appropriate from the Company's perspective, regardless of the specific candidate.

3. Skills and expertise profile for the Supervisory Board (C.1 of the Code)

The Supervisory Board takes the view that its members currently cover all areas of the skills and expertise necessary for the efficient work of the Supervisory Board. The Supervisory Board therefore does not currently consider it necessary to define a specific profile of skills and expertise.

4. Age limit for members of the Supervisory Board (C.2 of the Code)

The reasons given for the departure from B.5 of the Code also apply here.

5. Independence of Supervisory Board committee chairs (C.10 of the Code)

The Company declares a departure from this recommendation of the Code to the extent that it relates to committee chairs, as the Supervisory Board has not established any committees to date.

6. Curriculum vitae of Supervisory Board candidates (C.14 of the Code)

The requirements of this recommendation of the Code are vague and their definition is unclear. As a precaution, the Company therefore declares a departure in this respect. Notwithstanding this, the Supervisory Board will make every effort to comply with the requirements of the recommendation in the Code.

7. Making the rules of procedure for the Supervisory Board accessible (D.1 of the Code)

As a precautionary measure, for the period up to December 10, 2020, the Company declares a departure from this recommendation of the Code to the extent that it relates to making the rules of procedure for the Supervisory Board accessible on the

Company's website, as the rules of procedure were made accessible on the Company's website at this time following their revision. The recommendation has also been complied with in this respect since that date.

8. Establishment of Supervisory Board committees (D.2, D.3, D.5 of the Code)

The Supervisory Board has not established any committees, in particular an audit committee. The existing practice of addressing all pending issues in the full Supervisory Board will be maintained in the future. To date, the Company has only had a comparatively small number of subsidiaries. In addition, the Supervisory Board, which currently consists of five members, considers it important to exchange views on all matters within the full Supervisory Board in order to establish a comprehensive basis for its decisions, taking into account a wide range of expertise, experience and views. The Supervisory Board considers these aspects to be in compliance with the reference in the Code to the specific circumstances of the enterprise and the number of Supervisory Board members. Nevertheless, the Supervisory Board will regularly review whether, in light of the Company's future development, it makes sense to establish committees – in particular an audit committee and a nomination committee – so as to further improve the work of the Supervisory Board to reflect the requirements of the Company and its business activities.

As a precautionary measure, the Company declares a departure from the recommendation in D.3 of the Code, as no audit committee has been formed. Nevertheless, the Supervisory Board as a whole conscientiously addresses in particular the review of the accounting, the monitoring of the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, as well as the audit of the financial statements and compliance.

With regard to the recommendation in D.5 of the Code, attention is drawn to the fact that the Supervisory Board is in any case composed exclusively of shareholder representatives, as stipulated by recommendation of the Code for the nomination committee.

9. Qualifications of the audit committee chair, assessments by the Audit Committee (D.4, D.11 of the Code)

The Company declares a departure from these recommendations of the Code, as the Supervisory Board has to date not established an Audit Committee.

10. Disclosure of the number of committee meetings (sentence 1 of D.8 of the Code)

The Company declares a departure from this recommendation of the Code to the extent that it relates to committee meetings, as the Supervisory Board has not established any committees to date.

11. Self-assessment of the work of committees (D.13 of the Code)

The Company declares a departure from this recommendation of the Code to the extent that it relates to committees, as the Supervisory Board has not established any committees to date.

12. Disclosure of conflicts of interest by a member of the Executive Board (E.2 of the Code)

The Company declares a departure from this recommendation of the Code to the extent that it relates to a general duty of disclosure, as the rules of procedure for the Executive Board only provide for a duty of disclosure to the other members of the Executive Board where such a disclosure is appropriate. The Company considers the disclosure requirement stipulated in the rules of procedure for the Executive Board to be sufficient to ensure that conflicts of interest are dealt with appropriately, especially as the Supervisory Board and the Executive Board member concerned can involve the full Executive Board, which only consists of two members, at any time. In addition, in the Company's view, the disclosure requirement stipulated in the rules of procedure for the Executive Board enables quicker decision-making and quicker handling of conflicts of interest.

13. Assumption of sideline activities by members of the Executive Board (E.3 of the Code)

The Company declares a departure from this recommendation of the Code to the extent that it relates to the approval of the full Supervisory Board, as the rules of procedure for the Executive Board only stipulate the approval of the Supervisory Board Chairman. The Company considers the approval requirement stipulated in the rules of procedure for the Executive Board to be sufficient to ensure appropriate handling of any sideline activities, especially as the Chairman of the Supervisory Board and the Executive Board member concerned can involve the full Supervisory Board at any time.

14. The consolidated financial statements and the Group management report shall be made publicly accessible within 90 days from the end of the fiscal year (F.2 of the Code) (added in March 2021)

Due to the additional accounting and disclosure requirements, the consolidated financial statements and the Group management report for fiscal year 2020 have not been published within 90 days from the end of the fiscal year. For reasons that include the first-time preparation of a combined management report and the first-time creation of ESEF XBRL files, the publication of the consolidated financial statements and the Group management report within a shorter period would require the use of considerable financial and personnel resources that would not be in reasonable proportion to the information needs of the shareholders of a company of this size.

15. Interim financial information shall be made publicly accessible within 45 days from the end of the reporting period (F.2 of the Code) (added in March 2021)

Due to its very recent admission to the regulated market of the Frankfurt Stock Exchange and due to quality assurance requirements, the Company departed in fiscal year 2020 from the recommendation to make interim financial information publicly accessible within 45 days from the end of the reporting period. For fiscal year 2021, the Company does not declare any departures from the recommendation to make interim financial information publicly accessible within 45 days from the end of the reporting period.

16. Duties of companies “subject to special legal regulations” (F.4 of the Code)

The recommendations of the Code are vague with regard to what is meant by “subject to special legal regulations” and the definition is unclear. As a precaution, a departure is therefore declared in this respect. Notwithstanding this, the Supervisory Board will make every effort to comply with the requirements of the recommendation in the Code.

17. Executive Board remuneration (G1 – G.13 of the Code (inclusive))

These recommendations have only recently been significantly revised. In particular, the new legal requirements in connection with the German Act Transposing the Second Shareholder Rights Directive (“ARUG II”) must be complied with. The Company is currently in the midst of a corresponding review process and declares a departure from these recommendations of the Code in light of this. As part of the implementation of the new requirements, the Company will also include these recommendations of the Code in its review.

18. Supervisory Board remuneration (G.17 of the Code)

The Company declares a departure from this recommendation of the Code to the extent that it relates to committees, as the Supervisory Board has not established any committees to date.

Frankfurt am Main, December 2020 / March 2021

Executive Board

Supervisory Board

Marco Brockhaus

Dr. Othmar Belker

Chairman of the Executive Board

Chairman of the Supervisory Board

II. **Relevant information on corporate governance practices**

The Company’s corporate governance is subject to the requirements of the German Stock Corporation Act and, where relevant, other statutory provisions. The Executive Board and

Supervisory Board are also guided by the recommendations and suggestions of the Code; the two governing bodies explain compliance with the recommendations of the Code in the declaration of compliance pursuant to section 161 of the of the German Stock Corporation Act (see section I). The overarching principle of the Company and its subsidiaries (jointly referred to as “**BCM Group**”) is to manage all business activities in accordance with the principles of an honorable businessman with the goal of long-term economic success.

In addition to the recommendations of the Code, the Company aims to have transparent, trusting and ethical cooperation with employees, investors and business partners.

With our compliance management system (“CMS”), we ensure that not only laws are complied with, but that internal guidelines and ethical standards that govern us are also met. We have summarized the most important requirements and the organizational structures for BCM Group in Group-wide manuals on compliance and risk management. Our CMS focuses on prevention. For this reason, we actively adopt preventive measures and processes as well as ad-hoc reporting processes where appropriate so that disruptions to our business processes can be avoided or detected promptly.

For example, the measures taken in fiscal year 2020 included informing all individuals who work for BCM Group who, in accordance with regulations or in other ways (e.g., accidentally), have access to inside information, of the strict requirements of insider dealing law, which is largely governed by the EU Market Abuse Regulation. Violations of insider dealing law may not only have considerable consequences for the employees concerned, but also inflict considerable damage on the Company’s reputation. Against this background, the Company has adopted insider dealing guidelines for members of governing bodies and (new) employees of BCM Group.

Other key components of our early risk detection and management is also our risk management system (“RMS”) and the internal control system for accounting (“ICS”). The Group-wide RMS comprises active risk monitoring, which involves investigating the causes of negative variances and managing and monitoring them by taking suitable measures. The aim of our ICS is to minimize risks and avert possible risks by prevention. To this end, a regular review is regularly conducted of the existing processes and interfaces involved in preparing the consolidated financial statements, the Company’s financial statements and the Company’s combined management report.

The Company regards it as its responsibility as part of its operating activities to campaign for the creation of highly ethical and professional standards for itself, its subsidiaries and for the industry. To this end, we have formulated guiding principles for our employees, which are embraced in our Company and can also be transferred to the subsidiaries. Both professional and ethical standards are considered an integral part of the Company.

III. Working principles of the Executive Board and the Supervisory Board

In accordance with the German Stock Corporation Act, the corporate governance of German stock corporations is separated into corporate management and corporate supervision. The Executive Board manages the Company on its own responsibility in the interests of the Company. The Supervisory Board appoints and dismisses the members of the Executive Board and therefore has personnel authority in this respect. In addition, the Supervisory Board monitors and advises the Executive Board in its management of the Company and must be involved in decisions of fundamental importance to the Company.

The Company's Executive Board and Supervisory Board work together closely in a trust-based relationship. One of their guiding principles is the goal of sustainable value added based on responsible corporate governance for the benefit of the Company and in the interests of shareholders, employees and other stakeholders.

As of the date of this statement, neither the Executive Board nor the Supervisory Board has established any committees.

1. Executive Board

When it appoints members of the Executive Board, the Supervisory Board pays attention to the professional expertise, experience and leadership quality of the candidates. On the basis of Article 7(3) of the Company's Articles of Association, the Supervisory Board of the Company has issued Rules of Procedure for the Executive Board that describe the tasks and duties of the Executive Board, among other things. The members of the Executive Board share responsibility for the overall management of the Company, decide on fundamental business policy and corporate strategy issues and implement them. In accordance with the Rules of Procedure, the Executive Board consults with the Supervisory Board, informs it about all issues relevant to the Company and discusses the Company's direction with it at

regular intervals. The Executive Board obtains the approval of the Supervisory Board in the cases stipulated by law, the Company's Articles of Association, the Executive Board's Rules of Procedure, or any resolution of the Supervisory Board.

The Company's Executive Board currently comprises two members each appointed for five years in 2017:

- Marco Brockhaus (Chairman of the Executive Board)
- Dr. Marcel Wilhelm (Chief Operating Officer / Legal Counsel)

The Executive Board performs its management function as a collegial body. Beyond their overall responsibility, the individual Executive Board members manage the business areas assigned to them on their own responsibility within the framework of the law, the Company's Articles of Association, the Executive Board's Rules of Procedure and the resolutions of all Executive Board members. The members of the Executive Board inform each other regularly and promptly about key measures, transactions, events and developments. The Chairman of the Executive Board, who is appointed by the Supervisory Board, is responsible for coordinating all the business areas.

Under the Rules of Procedure of the Executive Board, resolutions of the Executive Board are generally adopted in meetings by simple majority. The Chairman of the Executive Board has the casting vote in the event of a tie if he invokes this provision and the Executive Board consists of more than two members. The Rules of Procedure of the Executive Board also specify the cases in which a resolution by the full Executive Board is required and those resolution items for which the Chairman of the Executive Board has a veto right (e.g., transactions requiring the approval of the Supervisory Board, fundamental issues relating to the organization, business policy and investment and financial planning of the Company that have been submitted to the Executive Board for a decision, matters that go beyond the ongoing business operations of the Company or an affiliated company, or are likely to materially affect the net assets, financial position, or results of operations of the Company or an affiliated company, or are otherwise of extraordinary importance or involve an extraordinary economic risk).

The Executive Board meets at least twice a month after the meeting has been convened by the Chairman of the Executive Board. The Chairman of the Executive Board chairs the meetings of the Executive Board. However, resolutions may also be adopted outside the meeting if no member of the Executive Board objects.

2. **Supervisory Board**

In addition to the tasks already mentioned, the Supervisory Board examines the annual financial statements, the combined management report and the proposal for the appropriation of net retained profits. When the Supervisory Board approves the annual financial statements, they are adopted in accordance with Article 22(1) sentence 4 of the Company's Articles of Association. Under the Rules of Procedure for the Executive Board, certain of the Executive Board's decisions are generally subject to the approval of the Supervisory Board. The Supervisory Board has adopted Rules of Procedure in accordance with Article 12(1) of the Company's Articles of Association.

At the date when this Statement was issued, the members of the Company's Supervisory Board were as follows and, unless otherwise stated below, have all been appointed until 2023:

- Dr. Othmar Belker (Supervisory Board Chairman) (in office since 2017)
- Michael Schuster (Deputy Supervisory Board Chairman) (in office since 2017)
- Andreas Peiker (in office since 2018)
- Martin Bestmann (appointed in 2020)
- Dr. Cornelius Liedtke (appointed by the court in 2020)

The Supervisory Board has elected a Chairman, Dr. Othmar Belker, and a Deputy Chairman, Michael Schuster, from among its members. The Chairman of the Supervisory Board maintains regular contact with the Chairman of the Executive Board between meetings and discusses with him issues of the Company's strategy, planning, business development, risk management and compliance. He is informed without undue delay by the Chairman of the

Executive Board of important events that are of material significance for the assessment of the situation and development, as well as of the management of the Company. The Chairman of the Supervisory Board normally chairs the Company's Annual General Meeting.

The Supervisory Board, together with the Executive Board, ensures long-term succession planning for the Executive Board. In addition to the requirements of the German Stock Corporation Act and the Code, the long-term succession planning takes particular account of the profiles discussed by the Supervisory Board and Executive Board. In this context, the Supervisory Board and Executive Board pay particular attention to Company employees who have been contributing to the Company's success for a number of years. They are closely followed and supported in their development. The Executive Board and Supervisory Board are committed to retaining these employees for the long term. Particularly in view of the periods of appointment of the two members of the Executive Board, which extend into the year 2022, the Supervisory Board and Executive Board have so far opted not to involve external advisors in the succession planning. Another reason is that each member of the Executive Board and Supervisory Board is part of extensive networks and has a wealth of personal experience, which may be useful in this regard and may thus help conserve the Company's financial resources. However, the governing bodies reserve the right to engage appropriate advisors whenever expedient.

The Supervisory Board considers it appropriate for at least four of its members to be independent. The Supervisory Board believes that all of its members are independent within the meaning of the Code. In this context, the Supervisory Board took particular account of the fact that its member, Mr. Bestmann, who has been appointed to the Supervisory Board by Falkenstein Heritage GmbH, whose managing director and controlling shareholder is the member of the Company's Executive Board, Mr. Brockhaus, on the basis of the right to appoint members of the Supervisory Board granted to Falkenstein Heritage GmbH under the Articles of Association and, with the Supervisory Board's consent, is available to advise the Company on matters outside the Supervisory Board's remit. Following an appropriate assessment of these circumstances, the Supervisory Board came to the conclusion that Mr. Bestmann has no personal or business relationship with the Company or its Executive Board that may give rise to a substantial and not merely temporary conflict of interests (see C.7 of the Code), especially given that the compensation that Mr. Bestmann receives for his consulting work is relatively small. Mr. Bestmann is not bound by any instructions given by Falkenstein Heritage GmbH, Mr. Brockhaus or any other person and discharges his duties

objectively to the Supervisory Board's satisfaction and in accordance with legal requirements.

The Supervisory Board holds at least two meetings in each calendar half-year. The meetings are convened by the Chairman of the Supervisory Board. The meetings are generally in-person meetings. Resolutions of the Supervisory Board are generally adopted by a simple majority of votes. The Chairman has a casting vote in the event of a tie. The remuneration of the Chairman, the Deputy Chairman and the other members of the Supervisory Board is governed by Article 15 of the Company's Articles of Association.

Under Article 9(1) of the Company's Articles of Association, the number of Supervisory Board members is generally stipulated to be six. Two-thirds of the Company's Supervisory Board are elected by the Annual General Meeting. In addition, under the Company's Articles of Association, Falkenstein Heritage GmbH, whose registered office is in Wetzlar, has a non-transferable right to appoint one-third of the number of Supervisory Board members representing the shareholders under the law or the Articles of Association. The Managing Director of Falkenstein Heritage GmbH is Mr. Marco Brockhaus, Chairman of the Company's Executive Board.

Dr. Belker has expert knowledge in the areas of financial accounting or auditing (section 100(5) of the German Stock Corporation Act). He has the appropriate qualifications by virtue of his academic training as well as his professional activity in the field of economics, as part of which he was and is entrusted over decades and in a range of respects in particular with functions in the fields of finance and financial control, including as Chief Financial Officer (CFO). The members of the Supervisory Board as a whole are familiar with the sector in which the Company operates. The Company is not subject to codetermination rules, so the Supervisory Board is composed exclusively of shareholder representatives.

The Company's Supervisory Board has five members as of the date of this Statement. The difference compared with the number of Supervisory Board members stipulated in the Articles of Association is due to the fact that Falkenstein Heritage GmbH had only partially exercised its right to appoint members as of the date of this Statement. Falkenstein Heritage GmbH has so far only appointed one Supervisory Board member in the shape of Mr. Bestmann. Under the Articles of Association, another Supervisory Board member can therefore be appointed. The right of appointment is not matched by any obligation under the Articles

of Association for the person with the right of appointment to exercise that right. The shortfall in the number of Supervisory Board members does not directly impact the quorum of the Supervisory Board, as the Supervisory Board is quorate if at least half of the members of which it must consist participate in the adoption of resolutions.

Dr. Liedtke was appointed as a member of the Company's Supervisory Board by a decision of the Frankfurt am Main Local Court on 14 September 2020. The appointment was based on a corresponding application by the Company. The appointment is limited to the end of the Annual General Meeting resolving to approve the actions of the Supervisory Board for the fiscal year of the Company ending 31 December 2020. The Company's application was correspondingly limited in line with the recommendation in C.15 sentence 2 of the Code.

The Supervisory Board regularly reviews how effectively it performs its duties. The self-assessment examines in particular the procedural processes in the Supervisory Board and the flow of information between the Supervisory Board and the Executive Board, as well as the timely and adequate provision of information to the Supervisory Board. In light of the size of the Supervisory Board and the Company and the uncomplicated flow of information between the Supervisory Board and the Executive Board, no external consultants were retained for the self-assessment.

IV. Definition of targets for the proportion of women on the Executive Board, Supervisory Board and at subsequent levels of management

The obligation to define targets under sections 76(4) and 111(5) of the German Stock Corporation Act applies in particular to listed companies. At present, the Executive Board and Supervisory Board only have male members. The Company's Supervisory Board has set a target of 25% for the proportion of women on the Executive Board to be attained by 30 June 2025 for the case that the Executive Board has more than three (3) members by then, i.e., one (1) female member if the Executive Board has four (4) members; otherwise, i.e., if the Executive Board has up to and including three (3) members, the target is 0%. At present, no changes to the composition and no enlargement of the Executive Board are planned or foreseeable. The Supervisory Board considers desirable the objective pursued by legislators to increase the proportion of women and it hopes to be able to reconcile the Company's interests in continuing the successful work performed by the current members of the Executive Board, the Company's future need for an adjusted Board size and diversity. The Supervisory

Board has set a target of 16.67% for the proportion of women on the Supervisory Board, i.e., one (1) female member out of six (6) Supervisory Board members. The end of 30 June 2025 has been specified as the deadline for attaining each target.

The Executive Board has not defined any targets to date for the proportion of women at the two management levels below the Executive Board, as the Company does not have any management levels below the Executive Board due to its holding company structure.

V. Disclosures on the fixed gender quota on the Supervisory Board

The Company is under no obligation to make a statement about any fixed, legally stipulated gender quota because, due to the fact that the laws on codetermination are not applicable to the Supervisory Board, there are no legal requirements for the composition of the Supervisory Board with a certain proportion of one gender.

VI. Diversity concept

The Executive Board and Supervisory Board also pay attention to diversity in the composition of the Executive Board, the Supervisory Board and management functions. However, they do not do this by pursuing a rigid diversity concept formulated in terms of diversity aspects such as age, gender, educational and professional background. The composition of the management bodies must ensure effective, sustainable management of the Company in the best interests of the Company. To establish the conditions for the conscientious performance of these functions, the Company will also be guided in the future primarily by the professional knowledge, skills and experience of shortlisted candidates.

The Company takes the view that, as well as the existing efforts and planned measures to promote diversity, an additional diversity concept does not bring any substantial added value. In light of this, it is not pursuing a diversity concept. The Executive Board and Supervisory Board will monitor the development of diversity in BCM Group and reserve the right to introduce a diversity concept if and to the extent that such a concept appears expedient, taking into account in particular the best interests of the Company.
