

# CORPORATE GOVERNANCE STATEMENT

## Corporate governance statement in accordance with sections 289f, 315d HGB

The Executive Board and Supervisory Board of Viscom AG are committed to the principles of sound corporate governance. These principles are a crucial element of the modern capital market and are intended to strengthen the trust of investors and the public in the management and oversight of listed German companies. The principles of responsible and effective company management and controlling aimed at transparency and value creation determine the actions of Viscom AG's management and supervisory bodies.

In accordance with section 289f HGB, Viscom AG's Executive Board, also on behalf of the Supervisory Board, reports on the company's corporate governance in this section.

### Declaration in accordance with section 161 of the German Stock Corporation Act

The Executive Board and Supervisory Board of Viscom AG submitted the annual compliance statement in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) on 24 February 2023. It has been published and is permanently accessible in the "Company/Investor Relations/Corporate Governance" section of Viscom AG's website at [www.viscom.com](http://www.viscom.com).

### Wording of the 2023 compliance statement

Corporate governance is defined as the legal and de facto regulatory framework for managing and monitoring a company. The purpose of the Code is to make the German corporate governance system clear and transparent. The Code sets out principles, recommendations and suggestions regarding the management and supervision of listed German companies that are recognised internationally and nationally as standards for sound and responsible company management. It is intended to strengthen the trust of investors, customers, staff and the public in the management and oversight of listed German companies. Section 161 AktG requires listed companies to declare once a year whether the recommendations of the Government Commission on the German Corporate Governance Code as published by the Federal Ministry of Justice have been com-

plied with or which recommendations have not been or will not be followed ("comply or explain").

The following compliance statement for the past reporting period and the future refers to the recommendations by the Government Commission on the German Corporate Governance Code in the version dated 28 April 2022 as published by the Federal Ministry of Justice in the official section of the Bundesanzeiger (Federal Gazette) on 27 June 2022.(GCCG).

In accordance with section 161 AktG, the Executive Board and Supervisory Board of Viscom AG declare that the recommendations of the Government Commission on the German Corporate Governance Code (version dated 28 April 2022) have been and are complied with (barring the following exceptions, the corresponding recommendations of the previous version of the German Corporate Governance Code were also complied with in the past reporting period). The following recommendations have not been and will not be followed:

**1. The risks and opportunities associated with social and environmental factors are not yet systematically identified and assessed. Also, appropriate consideration is not yet given to ecological and social objectives in corporate strategy and planning or in the control and risk management system (deviation from A.1, A.3 of the Code).**

The Executive Board and the Supervisory Board welcome the growing regulatory significance of sustainability criteria and already give appropriate consideration to ESG factors individually in their management of the company. ESG factors are also given appropriate consideration in the current remuneration system for the members of the Executive Board. Moreover, social and environmental factors are not yet comprehensively and systematically incorporated into corporate planning, which is due to the fact that the statutory sustainability reporting obligations under sections 315b et seq. HGB and Article 8 of the EU Taxonomy Regulation for the 2022 financial year do not yet apply to Viscom AG. The Management Board is currently working with an external consultant to devise a coherent concept for

the systematic incorporation of ESG goals into corporate planning. Compliance with the recommendations of the Code is intended in the medium term.

**2. There is no age limit for members of the Executive Board. Accordingly, no age limit has been defined in the corporate governance statement (deviation from B.5 of the Code).**

Any exclusion based solely on age does not appear expedient to the Executive Board and Supervisory Board, since the optimum composition of the Executive Board could thereby be prevented for merely formal reasons. The company is also committed to ensuring access to the expertise of experienced members of the Executive Board. An age limitation in the Articles of Association or the Rules of Procedure has been and is therefore deemed unnecessary. Accordingly, no age limit has been defined in the corporate governance statement.

**3. The Supervisory Board has not formed any committees, and in particular has not formed a nominations committee (deviation from D.3 sentence 5, D.4 of the Code); the Supervisory Board as a whole serves as the Audit Committee.**

Given the circumstances specific to the company and the number of its members, the Supervisory Board does not form any committees, in particular it does not form a nominations committee (deviation from D.4 of the Code).

The Supervisory Board consists of just three members. In the opinion of the Supervisory Board, the formation of committees is not expedient under the circumstances specific to the company and – unlike in larger governing bodies – does not increase efficiency. All matters are addressed by all members of the Supervisory Board, meaning that the formation of additional committees is not considered necessary. Given that the Supervisory Board of Viscom AG is not subject to co-determination, a nominating committee comprising exclusively shareholder representatives would be obsolete.

In accordance with the statutory regulation in section 107(4) sentence 2 AktG, the Supervisory Board as a whole, which consists of just three members, is also the Audit Committee, without the necessity of such a committee being established separately. The following recommendations therefore relate to committees, the audit committee or their members, to the Supervisory Board as a whole and its members: C.10 of the Code (independence of the Chair of the audit committee), D.2 sentence 2 of the Code (list of committee members in the corporate governance statement), D.3 of the Code (requirements for the members of the audit committee and related disclosures in the corporate governance statement), D.7 of the Code (participation in committee meetings), D.10 (coordination between the audit committee and the auditor), D.12 of the Code (review of committees' effectiveness), G.17 of the Code (taking committee chairs and members into account regarding remuneration).

As the Supervisory Board as a whole is also the Audit Committee (section 107(4) sentence 2 AktG), Prof. Michèle Morner is the Chairwoman of this Audit Committee as well (deviation from D.3 S. 5 of the Code).

The Supervisory Board believes that it can effectively perform the duties of the Audit Committee thanks to its size, as it comprises three members chaired by the independent member Prof. Michèle Morner who has specialised knowledge and experience in applying accounting policies and internal control processes.

**4. The Executive Board does not have a chairperson or spokesperson.**

The Executive Board of Viscom AG does not have a chairperson or spokesperson. Where recommendations are addressed to the chairperson or spokesperson (D.5, E.2 of the Code), these are understood to refer to the Executive Board as a whole.

Given the size of the Executive Board, the Executive Board and the Supervisory Board believe that a chairperson is not required

on a board with four members. In addition, stock corporation law is based on a principle of consensus, i. e. on a collegial rather than a hierarchical Executive Board. A strong principle of consensus has prevailed within the Executive Board (and previously within management) since the company was founded. All significant decisions are made together by the full Executive Board at all times.

**5. Deviation from the concept of target total remuneration that is different from the maximum remuneration with the definition of annual targets and share-based remuneration (deviation from G.1 bullet points 1 & 3, G.2, G.7, G.10 of the Code).**

After detailed discussion, the Supervisory Board has decided largely to retain the previous remuneration system and to augment it with ESG criteria. The members of the Executive Board are remunerated according to a clear, transparent and appropriate remuneration system, whereby the annual total remuneration including additional benefits for each Management Board member is limited to EUR 450,000 (maximum remuneration). The total variable remuneration components (Bonus I and Bonus II) are also capped at 100 % of fixed annual gross remuneration of currently EUR 208,000.00 (relative cap). The performance criteria for the determination of variable remuneration (consolidated EBIT; long-term consolidated EBIT; employee turnover; energy consumption) are specifically defined in figures for the entire duration of employment in the remuneration system and the Executive Board contracts to be concluded on this basis.

In this context, the Supervisory Board does not define any separate "target total remuneration" that depends on the achievement of annually defined performance criteria (deviation from G.1 bullet point 1, G.7 of the Code). Accordingly, the relative shares of the remuneration components in the remuneration system are also defined in relation to each other or to the total remuneration on achievement of the relative cap and not in relation to target total remuneration (cf. G.1 bullet point 3 of the Code). Likewise, the Supervisory Board does not define "target total remuneration" on the basis of the remuneration system,

but rather the fixed remuneration and the resulting cap in total remuneration due to the relative cap on variable remuneration. This is appropriate to the member of the Executive Board's own tasks and performance as well as to the enterprise's overall situation and performance and does not exceed the usual level of remuneration without specific reasons (cf. G.2 of the Code).

Remuneration is also not granted in shares or in share-based form only accessible to the member of the Executive Board after a period of four years (deviation from G.10 of the Code). The remuneration system of the Executive Board will create the right incentives to promote corporate strategy and to sustainably boost Viscom AG's medium and long-term financial success, in particular by taking internal performance indicators into account. Thanks to its majority shareholder, Viscom AG also has relatively few shares in free float. Based on these general conditions, the Supervisory Board does not consider an overwhelming focus on share price performance a suitable incentive mechanism for the Executive Board.

In the Supervisory Board's opinion, the retention of the previous remuneration system as against the Code's model has the advantage of clarity, simplicity and continuity. The remuneration model systematically precludes short-term disincentives and conflicts of interest due to the restrictive maximum remuneration, the relative cap and pre-defined numerical performance criteria that are specifically determined in the remuneration system, i. e. presented to the Annual General Meeting. At the same time, the simple design of the remuneration system avoids a hidden upward spiral.

**6. Long-term targets do not exceed short-term targets (deviation from G.6 of the Code). Overall, the Supervisory Board is of the opinion that the variable remuneration components provide both a long-term and positive forward-looking incentive effect.**

The variable remuneration comprises firstly a remuneration component calculated according to the year's consolidated EBIT (Bonus I) and secondly long-term variable remuneration based

on a three-year period (Bonus II), which individually and together are limited to the amount of the fixed remuneration. 60 % of Bonus II is calculated on the basis of average consolidated EBIT for the last three years in conjunction with the achievement of a defined minimum average EBIT over the assessment period and positive EBIT in the past financial year. The (lowest possible) employee turnover in the three-year assessment period and the (lowest possible) energy consumption of Viscom AG each contribute 20 % of Bonus II. In abstract terms, Bonus I and Bonus II are limited to the same amount, so neither can exceed the other (deviation from G.6 of the Code).

The Executive Board and the Supervisory Board are nevertheless of the opinion that, even with this variable remuneration structure, the Executive Board must always keep the long-term success of its activities in mind. Initially, the restrictive limit of the amount of variable remuneration prevents short-term disincentives and in particular precludes disproportionate remuneration for extraordinary (non recurring) events. Even in the event of good business performance, the Executive Board is generally reliant on the long-term remuneration component in order to consistently achieve the total possible variable remuneration. The Executive Board can only expect to receive Bonus II as at the end of the respective three-year period if average EBIT develops positively during this period. The aim of sustainable long-term EBIT at the same time as low employee turnover and low energy consumption rewards strategic targets with a long-term and forward-looking positive effect on the development of the company.

Overall, therefore, the remuneration structure has a positive forward-looking incentive effect that is oriented towards the company's sustainable and long-term development.

**7. The contracts with the members of the Executive Board of Viscom AG do not provide for payment caps on severance compensation in the event of early termination of the Executive Board mandate (cf. G.13 sentence 1 of the Code).**  
The Executive Board contracts do not contain any provisions for

a severance cap in the event of early termination of the Executive Board mandate of a maximum of two years' remuneration. Legal enforcement of a cap on severance pay for the member of the Executive Board would often not be possible in the relevant cases. If there is neither cause for dismissal in accordance with section 84(3) sentence 1 AktG nor cause for extraordinary termination of the employment contract in accordance with section 626 of the Bürgerliches Gesetzbuch (BGB – German Civil Code), the contract with the Executive Board member concerned can only be terminated subject to mutual agreement. In such cases, Executive Board members have no obligation to agree to caps on severance pay within the meaning of the recommendations of the Code. In the event of early termination of a member of the Executive Board for cause for which the Executive Board member is responsible, severance payments must not be made anyway. Despite this, the Supervisory Board will support a cap on any severance payment owed as referred to by the Code in the event of any members of the Executive Board resigning prematurely.

#### **Working methods of the Executive Board and the Supervisory Board**

The Executive Board and the Supervisory Board of Viscom AG work together consistently and with confidence, in keeping with sound and responsible corporate governance. They coordinate regularly and promptly in the areas recommended by the Corporate Governance Code, but also on issues beyond these areas.

#### **Executive Board**

Viscom AG is a company incorporated under German law, which is also the basis of the German Corporate Governance Code. The two-tier system of management comprising the Executive Board and the Supervisory Board as corporate bodies which hold separate powers is a basic tenet of German stock corporation law.

The Executive Board of Viscom AG currently comprises four members: Carsten Salewski (Sales), Peter Krippner (Operations), Dr. Martin Heuser (Development) and Dirk Schwingel (Finance).

The Executive Board is solely responsible for managing the company in compliance with the law, Articles of Association, Rules of Procedure, resolutions of the Supervisory Board and employment contracts. The primary tasks of the Executive Board are determining the strategic alignment, managing the company and the Group, and planning, establishing and monitoring a risk management system and a compliance system. Furthermore, the Executive Board should consider diversity in the process of filling management positions in the company. By way of resolution dated 30 June 2020, the Executive Board of Viscom AG has set targets for the share of women in the two management levels below the Executive Board in accordance with section 76(4) AktG. The Executive Board set a target of a share of women of 25 % in both the top national management level and the management level below that. The targets are to be achieved by 30 June 2025.

All members of the Executive Board are involved in the day-to-day management of the company and bear responsibility for operations. The Supervisory Board has resolved Rules of Procedure for the Executive Board regulating its responsibilities, work and its mode of cooperation with the Supervisory Board. According to these, members of the Executive Board wield executive powers in the areas of responsibility assigned to them in the allocation of duties. Insofar as measures or transactions of one area of responsibility overlap with those of one or more other areas, all involved members of the Executive Board must be in agreement. If there are any continuing differences of opinion, the Executive Board as a whole must reach a joint decision. These assignments notwithstanding, each member of the Executive Board remains responsible for all management issues (principle of overall responsibility). The entire Executive Board exclusively decides on any matters or transactions which are of extraordinary importance or carry an extraordinary economic risk.

The Executive Board passes its resolutions either at meetings or, in the absence of objections from Executive Board members, outside of meetings using modern means of communication.

Two members of the Executive Board constitute a quorum. All resolutions of the Executive Board require a simple majority of the votes cast. Meetings of the Executive Board should take place at regular intervals, weekly if possible. They must take place when required to ensure the well-being of the company. The Executive Board member designated accordingly by the Supervisory Board (Mr. Dirk Schwingel) is responsible for determining meeting dates, convening meetings, setting the agenda, chairing the meetings and ensuring the minutes are taken.

The Executive Board is also required to regularly inform the Supervisory Board of the company of all matters reasonably of interest to it concerning the company and companies affiliated with the company, especially of all matters covered by section 90 AktG. These reporting duties apply to the full Executive Board. As a rule, Executive Board reports must be presented in written form except when urgency allows or necessitates a verbal report. Furthermore, the Executive Board members must regularly report jointly to the Chairwoman of the Supervisory Board on strategy, business planning and progress, the situation of the company, including its affiliated companies, the risk situation and risk management and compliance, in written or verbal form. The management of the Group is based on a reporting system that takes the form of monthly reports submitted to members of the Supervisory Board. These monthly reports include the consolidated income statement and individual breakdowns for the various Group companies. The reports also include a detailed presentation of the cost structure at Viscom AG and its Group companies, revenue in its system installation regions, incoming orders, order backlog, the number of employees, cash and cash equivalents, the use of overdraft facilities, total receivables and receivables from subsidiaries, orders placed for the purchase of goods and the inventories of goods as well as partially completed and completed systems.

The Executive Board also reports on significant issues pertaining to the current situation of the company and directly and indirectly associated companies and events that go beyond normal

business operations of the company and affiliated companies and are of special importance for the company as occasion requires. Any information relevant to decision making will be made available to the members of the Supervisory Board in a timely manner prior to the meeting.

Members of the Executive Board are subject to comprehensive restraint on competition during their Board membership. They are bound by the interests of the company. Consequently, no member of the Executive Board may allow personal interests to affect his decisions or take advantage of business opportunities to which the company is entitled for his own benefit. Any possible conflicts of interest must be disclosed promptly to the Supervisory Board, and the other members of the Executive Board must be informed. All transactions between the company and the Executive Board members or closely related persons or companies must comply with industry standards. Significant transactions with a member of the Executive Board or related parties require the consent of the Supervisory Board.

In addition, members of the Executive Board require the consent of the Supervisory Board to assume other professional roles, particularly the assumption of mandates in other external companies.

Both the Executive Board and the Supervisory Board are bound by the interests of Viscom AG. There were no conflicts of interest to be reported to the Supervisory Board in the past financial year. No Executive Board member is a member of any Supervisory Boards at listed stock corporations outside the Group.

Viscom AG has obtained liability insurance (D&O insurance) with a commensurate deductible for all members of the Executive Board.

#### **Mandates of the Executive Board**

The members of the Executive Board do not hold any other seats in other supervisory boards required by law or comparable

domestic and foreign governing bodies of commercial enterprises.

#### **Supervisory Board**

The Supervisory Board of Viscom AG consists of three members who are elected at the Annual General Meeting, without it being bound by any proposals for suitable candidates and with identical terms of office, in compliance with Article 11(1) of the Articles of Association in conjunction with sections 95, 96(1) and 101(1) AktG. The company is not subject to co-determination.

The current members of the Viscom AG Supervisory Board are Prof. Michèle Morner (Chairwoman; first appointed: 30 May 2018), Volker Pape (Deputy Chairman; first appointed: 30 May 2018) and Prof. Ludger Overmeyer (first appointed: 27 May 2014).

They were individually elected at the Annual General Meeting on 28 May 2019 in accordance with the recommendations of the German Corporate Governance Code. None of the Supervisory Board members were over 70 years of age at the time of the election. The regular term of office for the Supervisory Board is five years. The current term ends with the regular Annual General Meeting that will approve the actions of the members of the Supervisory Board for the 2023 financial year of the company.

The proposals for suitable candidates consider the skills, expertise and experience necessary for the duties of the Supervisory Board. In addition to the company's specific situation, its international activities, potential conflicts of interest, the number of independent Supervisory Board members considered adequate by the Supervisory Board, the age limits for Supervisory Board members and diversity are all considered. Taking the above criteria into account, the Supervisory Board has determined specific objectives regarding its composition and has prepared a skills profile in accordance with recommendation C.1. of the Code, including a diversity concept, for the entire Supervisory Board. It will seek to ensure compliance with this profile for the

entire Supervisory Board when making future proposals for the election of shareholder representatives to the Supervisory Board. The company's international activities should be taken into account in this skills profile. Thus, the goal was set that at least one member of the Supervisory Board should have particular international experience, such as several years of professional experience in the management or executive bodies of other international companies. Furthermore, potential conflicts of interest should be avoided even in the nominations made by the Supervisory Board to the Annual General Meeting. To ensure a mixed age and personality structure, members of the Supervisory Board should not have reached the age of 70 at the time of their election (standard age limit). Regardless of the size of the Supervisory Board, no more than two members of the Supervisory Board should be former members of the Executive Board or representatives of the majority shareholder. More than half of the members of the Supervisory Board should be independent from the Executive Board and the company. As part of the skills profile, an independent member should have specialist knowledge in the areas of accounting or auditing. For future nominations, a further member of the Supervisory Board must also be an expert in the area of auditing (section 100(5) AktG (new version) in conjunction with section 12(6) EGAktG). Furthermore, in light of Viscom AG's high-tech orientation, the Supervisory Board should have at least one member who is a technical expert with knowledge and experience in the fields of electrical engineering or information technology in particular. Members of the Supervisory Board should not hold more than five Supervisory Board positions at external listed companies or similar functions. Chairing a Supervisory Board counts as two positions. If a member of the Supervisory Board sits on the Executive Board of a listed company, he/she may not hold more than two such positions and must not be the Chair of a Supervisory Board in an external listed company. As a whole, the supervisory body should cover as broad a range of experience and expertise relevant to the company as possible. Attention should be paid to diversity when filling vacancies that arise on the Supervisory Board. This is described in more detail

in the diversity concept. In accordance with section 111(5) AktG, Viscom AG's Supervisory Board is also required to set targets for the share of women on the Supervisory Board. The Supervisory Board of Viscom AG currently complies in full with the above specific objectives regarding its composition and the defined profile of skills and expertise, including the diversity concept, for the entire Supervisory Board (the new regulation whereby an additional member of the Supervisory Board must also be an expert in the area of auditing in accordance with section 12(6) EGAktG applies to future new appointments only). As an independent member of the Supervisory Board and on the basis of her education and previous professional activity, Prof. Michèle Morner has expertise in the field of auditing and accounting as defined by section 100(5) AktG. As the founder and former managing director of Ynnor Systems GmbH and a former member of the Audit Committee of KUKA AG, she also has outstanding expertise on matters of corporate planning as well as internal control and risk management systems (cf. also D.3 of the Code). Moreover, corporate governance and management concepts were her main research area. Prof. Ludger Overmeyer and Mr. Volker Pape have specialised knowledge and experience in the fields of electrical engineering and information technology. All members of the Supervisory Board have particular international experience (for more information see disclosures in connection with the diversity concept).

The Supervisory Board resolved by circulation procedure dated 30 June 2020 to set a target of one third for the share of women on the Supervisory Board. The target – which has already been achieved following the appointment of Prof. Morner as Chairwoman – is to be maintained until 30 June 2024. Volker Pape is a former member of the Executive Board of Viscom AG and has been a member of the Supervisory Board since 28 May 2019. He was put forward as candidate in accordance with section 100(2) sentence 1 no. 4 AktG at the proposal of shareholder HPC Vermögensverwaltung GmbH, Hanover, which holds over 25 % of the voting rights in the company. The Supervisory Board endorsed this nomination. The election of Volker Pape was in



**Qualification matrix of the Supervisory Board  
in accordance with C1 of the Code**

	<b>Prof. Dr. Michèle Morner</b>	<b>Volker Pape</b>	<b>Prof. Dr. Ludger Overmeyer</b>
First appointed	2018	2018	2014
Year of birth	1967	1955	1964
Particular international experience	✓	✓	✓
Expertise in the field of accounting, including control and risk management systems	✓		
Expertise in the field of auditing	✓		
Specialised knowledge and experience in the fields of electrical engineering and information technology		✓	✓
Expertise in the field of sustainability matters	✓		
Independence in the assessment of the Supervisory Board as referred to by the Code	✓		✓
Specialised knowledge of corporate governance and management concepts	✓		

line with the recommendation under C.11 of the Code, which states that the Supervisory Board should not contain more than two former members of the Executive Board, as the Supervisory Board of Viscom AG does not include any other former members of the Executive Board.

By way of resolution dated 8 May 2013, the number of independent Supervisory Board members considered adequate by the Supervisory Board was defined in the Rules of Procedure of the Supervisory Board of Viscom AG as at least two, i. e. the majority of Supervisory Board members. In the opinion of the Supervisory Board, the current Supervisory Board members Prof. Michèle Morner and Prof. Ludger Overmeyer are both independent in accordance with the criteria set out in C.7 of the Code. Other than being members of the Supervisory Board, they have no business or personal relationship with the company, its Executive Board or the controlling shareholder that could substantiate a material or even temporary conflict of interest. None of the members of the Supervisory Board exercise board or advisory functions at any of the company's material

competitors, nor do they have personal relationships with such companies.

The Supervisory Board monitors and advises the Executive Board on management of transactions. It is involved in strategy and planning, as well as all matters of business development, the risk situation, risk management, compliance and other issues of fundamental importance to the company. All members of the Supervisory Board and in particular the Chairwoman of the Supervisory Board are also in contact with the Executive Board regarding these issues between meetings. The Supervisory Board has resolved Rules of Procedure for the Executive Board, in accordance with the company's Articles of Association. The standing rules include the provision that specifies the types of major transactions of the Executive Board that require the Supervisory Board's approval. The Supervisory Board's further responsibilities include appointing Executive Board members, determining the remuneration system for the Executive Board and its individual members, and examining the company's single-entity and consolidated financial statements.



New members appointed to the Executive Board are to be appointed for no more than three years. The Supervisory Board also considers diversity in the composition of the Executive Board. In accordance with section 111(5) AktG, Viscom AG's Supervisory Board is required to set targets for the share of women on the Executive Board. By way of circulation procedure on 30 June 2020, it thus reviewed the current 0 % target for the share of women on the Viscom AG Executive Board and, after detailed discussion, resolved to retain its target for the share of women on the Executive Board of Viscom AG at the current level of 0 % until 30 June 2024. The duty to provide reasons in accordance with section 111(5) sentence 3 f. AktG does not apply to the decision of 30 June 2020 (cf. section 261(2) EGAktG). If a member of the Executive Board ends his term prematurely or in the event of other personnel changes to the Executive Board, the Supervisory Board will give preference to an equally qualified female candidate when appointing a new member. The long-term objective of the Supervisory Board is for at least 20 % of the Executive Board to be women, but this is not currently formally defined as a target within the meaning of section 111(5) sentence 1 AktG.

The Executive Board and the Supervisory Board work in close collaboration to identify top executives and thus ensure long-term succession planning. Headed by the Chairwoman of the Supervisory Board, Prof. Michèle Morner and her significant expertise in HR development and management, a programme was launched in coordination with the Executive Board as a whole to improve professionalism regarding the development and succession of managers in the overall company. Management principles and skills were defined and, on the basis of a potential analysis, a customised, systematic management development programme was established. All members of the Executive Board play a key role in identifying and promoting personnel with leadership potential in their business area.

Work within the Supervisory Board is coordinated by the Chairwoman of the Supervisory Board or, in her absence, by the

Deputy Chairman. The Chairwoman of the Supervisory Board also chairs the Supervisory Board meetings and upholds the Board's interests when representing it. Furthermore, she is authorised to issue the declarations of intent on behalf of the Supervisory Board that are necessary to implement Supervisory Board resolutions. In urgent cases, this also includes the provisional approval of company transactions that, in accordance with the Rules of Procedure for the Executive Board, require the Supervisory Board's approval. Individual tasks and rules of procedure are stipulated in the Rules of Procedure of the Supervisory Board which have been resolved by the Supervisory Board in accordance with the Articles of Association. This includes rules regarding the authority of the Chairwoman of the Supervisory Board and her deputy, in addition to rules pertaining to conflicts of interest and efficiency reviews. According to these, the Chairwoman of the Supervisory Board is required to maintain regular contact with the Executive Board and to discuss strategy, business development and the company's risk management with it. If she becomes aware of significant events of material importance for the assessment of the company's situation and development or for its management, she is required to inform the Supervisory Board and to convene an extraordinary Supervisory Board meeting if necessary.

The Supervisory Board held six regular meetings in the 2022 financial year and one meeting for an efficiency review without the presence of the Executive Board. This took place on 2 December 2022. The efficiency review was essentially conducted on the basis of checklists. In addition to the long-term assessment of past resolutions, this mainly focused on three areas: the organisation of the Supervisory Board and meeting procedures, including the appropriateness of the content of the Supervisory Board's activities (including the frequency of meetings, the openness of results and debate, participation of members of the Supervisory Board, written records, extent of transactions requiring approval, appropriateness of monitoring, long-term review of decisions), the provision on information to the Supervisory Board (between the Executive Board

and the Supervisory Board and within the Supervisory Board, including timely and comprehensive information, proactive provision on information, methods of presentation and clarity, deadlines and content of financial reporting) and personnel issues concerning the Supervisory Board and the Executive Board (in particular compliance with statutory requirements, the Code and the skills profile for appointments, conflicts of interest, succession planning, remuneration matters). The opinions on the individual aspects on the checklist were discussed by the Supervisory Board as a whole and their assessment was noted.

The Chairwoman of the Supervisory Board or, in her absence, the Deputy Chairman, convenes the meetings in writing with notice of 14 days. In urgent cases, the Chairwoman of the Supervisory Board can shorten the notice period appropriately and convene the meeting verbally, by telephone, in writing, by fax or e-mail. The agenda and proposals for resolutions must be included with the invitations.

In accordance with the Rules of Procedure of the Supervisory Board, all meetings should be held in person. But meetings can also be held as video conferences or conference calls, or individual Supervisory Board members can take part in the meeting via phone or video. It is also possible to adopt resolutions using votes cast in writing, by telephone or using electronic forms of communication as long as this is ordered by the Chairwoman and no objections are raised by other members of the Supervisory Board within a reasonable period set by the Chairwoman of the Supervisory Board. The Chairwoman of the Supervisory Board must keep a record of and sign all resolutions made in a written or other form. In the 2022 financial year, the meetings on 18 March 2022 and 5 August 2022 were held as video conferences, the meetings on 6 May 2022 and 8 June 2022 were held in person and the meetings on 4 November 2022 and 2 December 2022 were held as hybrid events.

All resolutions of the Supervisory Board require a simple majority unless stated otherwise by law or the Articles of Association.

The Chairwoman of the Supervisory Board or, in her absence, the Deputy Chairman, casts the deciding vote in the case of a tie.

Barring different arrangements made by the Supervisory Board for individual cases, all members of the Executive Board attend the quarterly meetings of the Supervisory Board. This notwithstanding, the Supervisory Board regularly meets at the beginning of the meetings without the Executive Board. The Executive Board's written reports for the Supervisory Board are handed out to the members of the Supervisory Board, unless determined otherwise by the Supervisory Board in a given case.

The members of the Supervisory Board are independent from the management and maintain no business links with the company that could influence the independence of their opinion. Since 1 July 2018, Supervisory Board member Volker Pape and the company have had a long-term consultancy agreement which goes beyond the scope of consulting and monitoring duties performed by Mr. Volker Pape as a member of the Supervisory Board of the company, and so this agreement is remunerated separately. This consultancy agreement aims to continue making use of the contractor's experience and expertise after his many years of successful work for the company as a way of ensuring continuity, supporting old and new members of the Executive Board and retaining the contractor as a consultant in the long term. The consultancy agreement was entered into at market conditions.

In its report to the Annual General Meeting, the Supervisory Board provides information about any conflicts of interest that may have arisen during that financial year. There were no conflicts of interest to be reported to the Supervisory Board in the past financial year.

The company has obtained D&O insurance with no deductible for its Supervisory Board members.

Detailed information on the work of the Supervisory Board in the 2022 financial year is included in the "Report of the Supervisory Board" to the Annual General Meeting.

### **Mandates of the Supervisory Board members**

The Chairwoman of the Supervisory Board of Viscom AG, Prof. Michèle Morner, was a member of the Supervisory Board of KUKA AG from February 2017 until June 2018 and was a member of the Nominations Committee of the Financial Reporting Enforcement Panel (FREP) from April 2015 to December 2021. Prof. Ludger Overmeyer has been a member of the Supervisory Board of LPKF Laser & Electronics SE since June 2019. Volker Pape does not hold any other seats in other Supervisory Boards required by law or comparable domestic and foreign governing bodies of commercial enterprises.

### **Structure and working methods of Executive Board and Supervisory Board committees**

The company's Articles of Association allow the Supervisory Board to form committees from among its members. The Supervisory Board does not see committee formation as advisable under the circumstances of the company. The purpose of forming a committee, i. e. increasing the efficiency of the decision-making process, would not be achieved with a Supervisory Board of just three members. All matters are addressed by all members of the Supervisory Board, meaning that the formation of additional committees is not considered necessary. No Executive Board committees with the purpose of increasing efficiency were formed because of the small size of the Executive Board.

### **Shareholdings of Board members**

The members of the Executive Board presently hold the following numbers of shares in the company:

- Dr. Martin Heuser:  
276,280 shares held directly; through the Heuser family foundation and, in turn, HSF GmbH, Dr Heuser also holds 50 % in HPC GmbH & Co. KG, which is the parent company

of HPC Vermögensverwaltung GmbH, which in turn holds 4,869,085 shares in Viscom AG.

- Dirk Schwingel:  
11,000 shares held directly.
- Carsten Salewski:  
7,142 shares held directly.
- Peter Krippner:  
6,500 shares held directly.

The members of the Supervisory Board presently hold the following amounts of shares in the company:

- Volker Pape:  
265,650 shares held directly; through the Heuser family foundation and, in turn, PPF GmbH, Mr. Pape also holds 50 % in HPC GmbH & Co. KG, which is the parent company of HPC Vermögensverwaltung GmbH, which in turn holds 4,869,085 shares in Viscom AG.
- Prof. Dr. Ludger Overmeyer:  
5,000 shares held directly.

### **Diversity concept for the composition of the Executive Board and the Supervisory Board**

As the composition of the Executive Board and Supervisory Board is based on diversity concepts as regards aspects such as age, gender, educational and professional background, international experience and other socio-economic issues and expertise, these must be described in the corporate governance declaration, as should the objectives of these diversity concepts, the way in which they are implemented and the results achieved in the financial year.

Please first refer to the above comments on the specific objectives for the composition of the Supervisory Board, the setting

of a standard age limit for the Supervisory Board, and the decisions on targets for the share of women. The objectives of the diversity concept for both the Executive Board and the Supervisory Board are as follows:

**- Educational and professional background – Technological expertise and commercial experience:** The members of the Executive Board and the Supervisory Board should have different educational and professional backgrounds. As a highly specialised technology company, it is crucial for Viscom AG that its Supervisory Board and Executive Board are qualified and experienced in the technical field. At the same time, given the size of the company, business administration and corporate organisation qualifications are of significance. These two areas of expertise should be represented by at least one member on each of the boards.

On the Executive Board, these requirements are currently reflected by the fact that three out of four members of the Executive Board are graduate engineers and have years of professional experience in the technical field. The fourth member of the Executive Board supplements the requirement profile described above as a business graduate with years of professional experience as a commercial manager.

This diversity of expertise can also be found in the Supervisory Board. Prof. Ludger Overmeyer contributes outstanding technical expertise, which is supplemented by Prof. Michèle Morner's capabilities in the areas of business administration, corporate governance, HR and corporate organisation. As a former member of the Executive Board of Viscom AG, Mr. Volker Pape has both a technical background and experience of many years managing the company, and enhances the Supervisory Board's insight into its operational process.

**- Internationalism:** The composition of the Executive Board and the Supervisory Board should reflect a range of interna-

tional experience. As an international corporation, experience of intercultural communication and internationally diverse business practices are a crucial advantage to Viscom AG. The company therefore promotes and welcome the international experience of its employees and managers, gathered both inside and outside the Group. International expertise, possibly acquired by heading a corporation with international ties, should be represented in both the Executive Board and the Supervisory Board.

In the interests of this objective, on the Executive Board, the company particularly welcomes Mr. Carsten Salewski's many years of experience managing the international business of the US subsidiary in Atlanta and the associated branches in California and Mexico, where he still maintains extensive international contacts today as the Chairman of the IPC SMEMA Council and a member of the Board of the German-American Chamber of Commerce in Atlanta. On the Supervisory Board, the necessary international experience is embodied by Prof. Michèle Morner, as a former member of the Executive Committee of EURAM in Brussels, and Prof. Ludger Overmeyer, with his many years of experience in a position of responsibility at the international company Mühlbauer AG. In turn, as a former member of the Executive Board of Viscom AG, Mr. Volker Pape is directly familiar with the Group's management of its various international branches and subsidiaries.

**- Opportunities for advancement and development through external expertise:** Viscom firmly believes that it is a benefit to the motivation and rights of its employees, and to diversity in management levels, when employees within the Group have clear opportunities for advancement to management levels. They are therefore actively promoted to the level of the Executive Board. At the same time, the company wishes to maintain a focus on the diversity of developments in society as a whole, and to be open to external stimulus. Viscom AG sees its Supervisory Board especially as the body that can most suitably contribute this external expertise.

By appointing Mr. Carsten Salewski and Mr. Peter Krippner to the Executive Board, the Supervisory Board is highlighting its goal of promoting long-serving employees to the head of the Group. Also, by appointing Prof. Michèle Morner to the Supervisory Board, a professional who has taught in the fields of corporate governance, business ethics and social change, the company is successfully pursuing the goal of incorporating external expertise as regards general business and social concerns. Led by Prof. Morner, a concept was established to further promote employees' management skills and opportunities for advancement. This concept is subject to ongoing further development.

- **Equal opportunities:** The diversity concept also includes the principle of equal opportunities. Women should have equal opportunities for advancement at Viscom AG and in the Group as a whole. As described above, this is partially encouraged by set quotas. In the interests of equal opportunities and the role model function thus entailed, the Executive Board and Supervisory Board welcome the fact that, in Prof. Michèle Morner, 33 % of the seats on the Supervisory Board are now held by women.

### **Shareholders and Annual General Meeting**

Shareholders of Viscom AG exercise their co-determination and control rights at the Annual General Meeting that is held at least once a year. The Annual General Meeting decides on all legally regulated issues with a binding effect for all shareholders and for the company. Each share grants one vote (one share, one vote) in the decision-making process.

The Annual General Meeting elects the Supervisory Board members and decides on approving the actions of the Executive Board and Supervisory Board. It regularly decides on the appropriation of retained earnings, the selection of the auditor, capital and structural measures, the approval of company contracts and any changes to the company's Articles of Association. The Annual General Meeting also decides on the approval of the remuneration system for members of the Executive Board as proposed by the Supervisory Board every time a material change is

made to this remuneration system and at least every four years. It also passes a resolution on Supervisory Board remuneration at least every four years. It proposes resolutions on the approval of the remuneration report for the preceding financial year annually.

At the Annual General Meeting, the Executive Board and Supervisory Board render account of the past financial year. The German Stock Corporation Act (AktG) provides for convening an extraordinary General Meeting in special cases.

The invitation to the Annual General Meeting and all information and reports necessary for passing resolutions are made accessible to the public on the website of Viscom AG in German, as stipulated by the laws governing stock companies. The information on shareholders' rights at the Annual General Meeting, including the exercise of voting rights, is presented there.

### **Remuneration system, remuneration resolution, remuneration report (reference to website)**

The remuneration report on the past financial year and the audit opinion in accordance with section 162 AktG, the remuneration system in place in accordance with section 87a(1) and (2) sentence 1 AktG and the most recent remuneration resolution in accordance with section 113(3) AktG have been published on the company's website at [www.viscom.com/en](http://www.viscom.com/en) under "Company/Investor Relations/Corporate Governance".

### **Risk management**

A responsible approach to business risk is one of the principles of good corporate governance. The Executive Board of Viscom AG and the management of the Viscom Group can use comprehensive Group and company reporting and control systems which facilitate the detection, assessment and controlling of risks. These systems are continuously enhanced in order to adapt them to changing conditions and are additionally monitored by auditors. The Executive Board regularly informs the Supervisory Board of existing risks and their development.

Details of the internal control and risk management system of the Viscom Group can be found in the risk report. The risk report also contains the report on the accounting-related internal control and risk management system in compliance with the Bilanzrechtsmodernisierungsgesetz (BilMoG – German Accounting Law Modernisation Act). In consultation with the Compliance Officer and the other department heads and in coordination with the Supervisory Board, the Executive Board reviews the effectiveness and the appropriateness of the control and risk management system, as well as its main characteristics as described in the risk report, and the risk reporting on an ongoing basis. The accounting-related internal control and risk management system is also supplemented by the work of the auditor. In addressing the internal control and risk management system as well as the reporting by the department heads, the Executive Board has not become aware of any circumstances that weigh against the appropriateness and effectiveness of these systems as referred to by A.5 of the Code.

### Transparency

Open and transparent handling of information for the relevant target groups of Viscom AG is a high priority within the company. The company has appointed a Corporate Governance Officer to monitor compliance with the German Corporate Governance Code.

Viscom AG regularly reports to shareholders, financial analysts, shareholder associations, the media and interested parties on the situation of the company and significant changes in business. All significant new information that is released to financial analysts and institutional investors by Viscom AG is always simultaneously made available to all shareholders and interested members of the public. Viscom uses the Internet and other means of communication to ensure that information is provided promptly.

An overview of all significant information released throughout the financial year is published on Viscom AG's website at [www.viscom.com](http://www.viscom.com):

- **Ad hoc disclosures.** Ad hoc disclosures in accordance with Article 17 of the Market Abuse Regulation (MAR) are issued without delay when facts arise outside Viscom AG's regular reporting that may significantly influence the share price. Viscom AG's ad hoc disclosures are available to shareholders in the "Company/Investor Relations/News/Publications/Ad-hoc-Notices" section of the Viscom AG website at [www.viscom.com/en](http://www.viscom.com/en).

- **Notices concerning voting rights.** In accordance with section 33 et seq. of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act), when Viscom AG becomes aware that an entity acquires, exceeds or falls below 3 %, 5 %, 10 %, 15 %, 20 %, 25 %, 30 %, 50 %, or 75 % of the voting rights in the company as a result of a purchase, disposal or in any other way, this fact will also be promptly disclosed via a notification system accessible throughout Europe and under "Unternehmen/Investor Relations/Finanznachrichten/Stimmrechtsmitteilungen" on the German company's website at [www.viscom.com](http://www.viscom.com). The notifications received by the company have been reproduced in the notes to the annual financial statements.

- **Directors' dealings.** Executive Board and Supervisory Board members of Viscom AG and certain executives who have regular access to insider information and are authorised to make significant company decisions (including related parties as defined by the Market Abuse Regulation (MAR)), are required to disclose their securities transactions, in accordance with Article 19 MAR. These types of transactions are published as soon as the company is informed through a pan-European information system and in the "Company/Investor Relations/News/Publications/Directors' Dealings" section of the Viscom AG website at [www.viscom.com/en](http://www.viscom.com/en).

The company was made aware of the following acquisition or sales transactions for shares of Viscom AG or for financial instruments based on these by members of governing bodies (directors' dealings) by Mr. Dirk Schwingel and Mr. Peter Krippner in the 2022 financial year:

Directors' dealings 2022	Date	Nature of transaction	Aggregate price in €	Aggregate total volume in €
Peter Krippner	19 May 2022	Purchase	10.2500	5,125.00
Peter Krippner	18 May 2022	Purchase	10.5602	10,560.25
Dirk Schwingel	16 May 2022	Purchase	10.1000	10,100.00

• **Financial calendar.** With the financial calendar published in the financial reports and permanently available on Viscom AG's website, the company informs its shareholders and the capital market in a timely manner of the dates of significant publications such as the annual financial report, half-year financial report and quarterly financial reports, the Annual General Meeting, financial press conference and analyst conferences. The company's financial calendar is available to shareholders in the "Company/Investor Relations/Financial Calendar" section of its website at [www.viscom.com](http://www.viscom.com).

#### Accounting and annual audit

Viscom AG prepares its consolidated financial statements in line with International Financial Reporting Standards (IFRS) as applicable in the European Union. The annual financial statements of Viscom AG are prepared in accordance with the German Commercial Code. The Executive Board prepares the consolidated financial statements, which are audited by the auditor and audited and approved by the Supervisory Board. Shareholders and interested parties are informed of the general situation of the company via the annual and interim reports and quarterly reports. All reports are accessible to all interested parties simultaneously on the Viscom AG website.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hanover, was elected by the 2022 Annual General Meeting as auditor and audited the consolidated financial statements and the annual financial statements of Viscom AG. The audit took place in accordance with German auditing regulations and the standards for the audit of financial statements put forward by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer). Early risk detections system and reporting obligations in compliance with corporate governance as stated in section 161 AktG were also audited.

It was agreed with the auditor that the Chairwoman of the Supervisory Board would be promptly informed of any grounds for disqualification or conflicts of interest that arise during the audit, if these are not resolved immediately.

The auditors must also report all findings and occurrences significant to the tasks of the Supervisory Board without delay as they occur during the audit. The auditors must also inform the Supervisory Board and report in the audit report if facts arise in the course of the audit that do not conform with the compliance statement as submitted by the Executive Board and the Supervisory Board in accordance with section 161 AktG.



### **Information on relevant company management practices**

Compliance with the law is Viscom's duty as a company, and it is in every company's own interest to reduce risks. Viscom sees it as its responsibility to comply with all laws and internal regulations – voluntary obligations and ethical principles also form an integral part of its corporate culture.

In order to actively meet local and international responsibilities, the Executive Board has developed, approved and introduced a compliance policy and corresponding annex that goes beyond the statutory rules of conduct and that applies to all members of governing bodies and employees of the Viscom Group. This "Corporate Compliance Policy" stipulates how to deal with business partners and government institutions, how to maintain secrecy, independence and objectivity and how to act in cases of conflict of interest. These principles include the avoidance of corruption and cartel agreements, compliance with data security guidelines, equal opportunity and adherence to product safety and occupational health regulations.

They are available to Group employees on the intranet, where they can be accessed in German and English at all times. A whistle-blower system allows employees to securely report

certain serious legal infringements to Viscom AG. This allows the Compliance Officer and where applicable the Executive Board to work towards containing damage and preventing further damage.

The Compliance Officer is responsible for maintaining and updating this policy.

Compliance is an integral part of Viscom's business processes and has formed the basis for a comprehensive and long-term management process, which is an ongoing and central task for the company. The topic of compliance must evolve constantly in order to react to the opportunities for improvement and the changing demands of global business. It is subject to ongoing change and improvement, making it a living process within the company that will never be completed. More information about the compliance policy is available in the "Company/Corporate Compliance" section of the company's website at [www.viscom.com](http://www.viscom.com).