

CORPORATE GOVERNANCE REPORT

Declaration on Corporate Governance
pursuant to Sections 289f, 315d of
the German Commercial Code (HGB)

FISCAL YEAR

2023

[INDUS]

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In this declaration, the Board of Management and the Supervisory Board report on corporate governance in accordance with sections 289f, 315d of the German Commercial Code (HGB) and Principle 23 of the German Corporate Governance Code.

I. CORPORATE GOVERNANCE PRINCIPLES

1.1 GENERAL INFORMATION

INDUS Holding AG (hereinafter also referred to as INDUS or the company) is a value-oriented investment company with a portfolio of 43 SMEs in Germany and Switzerland. INDUS primarily acquires owner-managed, technology-orientated industrial companies and supports them in their entrepreneurial development with a long-term focus. INDUS ensures that the portfolio companies retain their SME identity. In the coming years, portfolio growth is planned through organic growth of the existing portfolio companies and targeted acquisitions in areas related to the future topics relevant to INDUS. INDUS is headquartered in Bergisch Gladbach in North Rhine-Westphalia. The company is managed by a Board of Management consisting of five members. The Board of Management consists of Dr. Johannes Schmidt (Chairman), Rudolf Weichert (Deputy Chairman), Gudrun Degenhart (since October 2023), Dr. Jörn Großmann and Axel Meyer.

1.2 CORPORATE AND GROUP STRUCTURE

As a German stock corporation, INDUS has a dual management system. This is characterised by a strict separation of personnel between the Board of Management as the management body and the Supervisory Board as the advisory and supervisory body. Both bodies work together constructively and in a trusted relationship in the interests of the company and the Group.

For INDUS and its portfolio companies, good and sustainable corporate governance is of particular importance and is seen as a central management task.

1.3 DECLARATION OF THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD ON THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

In accordance with Section 161 of the German Stock Corporation Act (AktG), the Board of Management and Supervisory Board of a listed German stock corporation are obliged to declare once a year whether the recommendations of the German Corporate Governance Code have been and are being complied with and which recommendations have not been or are not being applied and why not. The Board of Management and Supervisory Board of INDUS Holding AG declare after due examination in accordance with Section 161 of the German Stock Corporation Act (AktG):

Since the last Declaration of Conformity was issued on 8 December 2022, INDUS Holding AG has complied with all recommendations of the version of the German Corporate Governance Code dated 28 April 2022 published by the Federal Ministry of Justice in the official section of the Federal Gazette on 27 June 2022 and will continue to do so in the future.

Bergisch Gladbach, December 06, 2023

For the Board of Management

For the Supervisory Board

Dr. Johannes Schmidt

Rudolf Weichert

Jürgen Abromeit

II. BOARD OF MANAGEMENT

2.1 BOARD OF MANAGEMENT AND MEMBERS OF THE BOARD OF MANAGEMENT

The members of the Board of Management are appointed by the Supervisory Board. The INDUS Board of Management consists of five members, Dr. Johannes Schmidt (Chairman of the Board of Management and Labour Director), Rudolf Weichert (Deputy Chairman of the Board of Management and CFO), Gudrun Degenhart (Member of the Board of Management and responsible for the Materials segment), Dr. Jörn Großmann (Member of the Board of Management and responsible for the Infrastructure segment) and Axel Meyer (Member of the Board of Management and responsible for the Engineering segment). Further information can be found at www.indus.de/en/about-indus/board-of-management/ and in the current annual report. The annual report also contains information on the mandates that the members of the Board of Management hold outside of this body and may only assume with the approval of the Supervisory Board of INDUS.

This document is a convenience translation of the German original. In case of discrepancy between the English and the German version, the German version shall prevail.

The Supervisory Board's stipulation regarding the age limit for members of the Board of Management, which provides for termination of the mandate upon reaching the age of 67, was complied with in the 2023 reporting year.

A. COMPETENCE PROFILE AND SUCCESSION PLANNING FOR THE BOARD OF MANAGEMENT

The Supervisory Board works together with the Board of Management to ensure long-term succession planning. To this end, a process has been set up in which the Chairman of the Supervisory Board and the Chairman of the Board of Management regularly discuss foreseeable vacancies on the Board of Management and how to fill them. Succession planning is a fixed item on the agenda of the Supervisory Board's Personnel Committee at least once a year. The Personnel Committee prepares any necessary Supervisory Board resolutions on Board of Management matters and informs the Supervisory Board of its discussions. In addition to basic suitability criteria in the selection process for a Management Board position such as age, education and professional background as well as personality requirements, the Supervisory Board also pays attention to diversity.

In the event of a vacancy on the Board of Management, the Supervisory Board, after preparation by the Personnel Committee, defines a requirements and skills profile for the vacant position that complements the existing profiles of the other members of the Board of Management or, in the event of the departure of a member of the Board of Management, replaces his profile. The Board of Management should have all the skills and experience that are considered essential for the management of INDUS. The Supervisory Board decides on specific appointments in the interests of the company and considering all circumstances of the individual case.

B. DIVERSITY POLICY

Since Section 76 (3a) Sentence 1 of the German Stock Corporation Act (AktG) came into force, INDUS, as a listed company with co-determination on a parity basis, has been subject to the binding minimum participation requirement for the Board of Management standardised therein.

Gudrun Degenhart has been a member of the Board of Management of INDUS Holding AG since October 2023. She is responsible for the Materials segment. The minimum participation requirement is therefore fulfilled.

2.2 ACTIVITIES AND WORKING METHODS OF THE BOARD OF MANAGEMENT

The Board of Management of INDUS manages the company and conducts its business on its own responsibility and in the company's best interests with the aim of ensuring the company's economically successful and long-term value-creating development. In doing so, it takes into account the interests of all stake-

holders, especially the shareholders and the Group's employees. It fulfils its management duties as a collegial body with joint responsibility. The tasks of the Board of Management are divided into individual departments according to functional aspects. The allocation of responsibilities to the individual members of the Board of Management is based on a schedule of responsibilities.

The Board of Management develops the company's strategic orientation and ensures its implementation. In addition, the Board of Management determines INDUS's corporate goals, annual and multi-year planning, controlling for the individual business segments, the internal control and risk management system, the compliance management system and the internal auditing system. Another duty of the Board of Management is to prepare the financial reports and the annual and consolidated financial statements of INDUS.

Cooperation within the Board of Management is governed by the rules of procedure issued by the Supervisory Board. The rules of procedure also contain the schedule of responsibilities for the Board of Management as an attached document. The Board of Management generally meets once a week in face-to-face meetings, which are chaired by the Chairman of the Board of Management and passes the necessary resolutions. The Board of Management is informed about upcoming issues by the respective departments. Thanks to its lean organisation, the Board of Management can also coordinate outside of face-to-face meetings by circular resolution if necessary. The members of the Board of Management work together as colleagues and keep each other informed of important measures and events in the departments assigned to them in the schedule of responsibilities.

2.3 CORPORATE GOVERNANCE PRACTICES OF INDUS

The regularly published annual, half-yearly and quarterly reports provide information on the activities of the Board of Management. The publication dates of these publications can be found in the financial calendar at www.indus.de/en/investor-relations/financial-calendar/. INDUS also provides information on events in the Group relevant to the capital market

A. GERMAN CORPORATE GOVERNANCE CODE

Beyond the statutory requirements of German stock corporation, co-determination and capital market law, INDUS has complied and continues to comply with the recommendations of the German Corporate Governance Code.

B. COMPLIANCE MANAGEMENT SYSTEM

The Board of Management ensures that an appropriate compliance management system is in place at company level. The Board of Management has appointed a Compliance Officer who reports directly to the member of the Board of Management responsible for Compliance.

The corresponding risk-orientated measures include communicating and implementing a code of conduct for all employees of the company, which goes beyond legal requirements as a voluntary commitment. This code outlines principles for conscious and responsible dealings with business partners, shareholders and employees. The INDUS Code of Conduct is available on the company's website at www.indus.de/en/about-indus/corporate-governance/.

The cornerstones of the INDUS culture are a shared understanding of values and risk minimisation for sustainable corporate development as well as the distribution of central requirements and their independent implementation and management in the portfolio companies. The portfolio companies organise their compliance on a decentralised basis. The managing directors of each portfolio company are responsible for the appropriate organisation of the respective compliance management system.

The company also offers a standardised, legally compliant whistleblower system for itself and all affiliated companies. This is intended to help identify and deal with breaches of the law and serious misconduct at an early stage and remedy them as quickly as possible. With an easily accessible reporting centre, a clearly defined structure for reporting and handling reports and a transparent escalation process, it creates additional trust and provides the security of being able to report misconduct in a protected manner. The whistleblower system is thus intended to contribute to the INDUS Group's long-term success and prevent damage. It is available not only to employees, but also to business partners or other stakeholders, for example, i.e. anyone who wants to contribute to INDUS' positive development. It enables anyone who has knowledge or reasonable suspicion of significant misconduct/misconduct (e.g. violation of the law or unethical behaviour contrary to our Code of Conduct) to submit a report - anonymously if necessary.

In addition to the Code of Conduct, INDUS has published a Declaration of Principles on Respecting Human Rights. This declaration supplements and specifies the Code of Conduct with regard to human rights, good working conditions and environmental protection and forms a binding basis for the implementation of human rights standards at INDUS. This declaration of principles is made available to all INDUS Group employees and their employee representatives in a suitable form and is published on the INDUS Holding AG website at www.indus.de/en/about-indus/corporate-governance/. A system of effective processes and measures is central to the success of INDUS' commitment. To this end, INDUS Holding AG works closely with the management teams of INDUS portfolio companies to identify risks to human rights and the environment posed by their business activities at an early stage and to take preventive action to counter them. INDUS regularly reviews the effectiveness of the relevant processes at the portfolio companies and integrate this review into the INDUS Group's processes.

C. RELATED PARTY TRANSACTIONS

In accordance with Section 111a (2) sentence 2 of the German Stock Corporation Act (AktG), the company has established an internal procedure that applies to related party transactions. In particular, certain transactions of the company with related parties require the approval of the Supervisory Board in accordance with Section 111b German Stock Corporation Act (AktG).

The requirements of Sections 111a et seq. of the German Stock Corporation Act (AktG) regarding the approval and disclosure requirements for transactions with related parties are set out in the rules of procedure for the management of the individual portfolio companies. Transactions with related parties require the approval of the relevant shareholders' meeting.

D. D&O INSURANCE DEDUCTIBLE

The company has taken out D&O insurance (pecuniary loss liability insurance) for the members of the Board of Management and Supervisory Board, which provides for a deductible for the members of the Board of Management of 10 percent of the loss up to the amount of one and a half times the fixed annual remuneration of the respective insured member of the Board of Management.

E. SUSTAINABILITY

The continuous improvement of INDUS' sustainability performance is managed and further developed by the Board of Management. INDUS recognised early on how important it is to act responsibly and continuously improve what has been achieved. INDUS believes that true corporate success is measured not only in quarterly figures, but also in successful long-term development. In this context, corporate factors beyond the economic dimension also count: Environmental concerns, employee concerns, social concerns, respect for human rights and combating corruption and bribery. For this reason, INDUS has established "Striving for sustainability" as the fourth strategic pillar of PARKOUR *perform*, the company's strategic programme.

In addition to the achievement of economic targets, relevant sustainability aspects, non-financial performance indicators and the achievement of the subsidiaries' self-imposed targets are the subject of dialogue between the Board of Management and the management teams of the subsidiaries. In addition, topics from the corporate social responsibility environment are repeatedly highlighted and discussed at the annual entrepreneurs' conferences (Unternehmertagung). INDUS has integrated incentivisation for progress in the area of sustainability into the Board of Management's remuneration system since 2016. The separate non-financial Group report for the INDUS Group is available on the company's website at www.indus.de/en/investor-relations/sustainability/.

INDUS also publishes the annual sustainability magazine [SUSTAIN] to illustrate case studies relating to the portfolio companies' sustainability efforts.

F. RISK MANAGEMENT

Another basic requirement of good corporate governance is that risks are systematically recorded, assessed and managed. In accordance with legal requirements, the Board of Management has set up a professional risk management system and internal control system. The current annual report provides information on how these systems are organised and which significant risks and opportunities currently exist.

G. INTERNAL AUDIT

§ Section 91 (3) German Stock Corporation Act (AktG) specifies the duty of care of the Board of Management of listed companies with regard to the establishment of appropriate and effective internal control systems (ICS) and risk management systems (RMS). This also includes the implementation of an internal audit.

In accordance with the "three lines" model, the Board of Management has established an internal audit department that reports directly to the Chairman of the Board of Management and reviews the effectiveness of the INDUS Group's management systems independently of the respective departments.

The INDUS Group's Internal Audit department is an important instrument of internal corporate monitoring whose activities are based on the binding elements of the International Standards for the Professional Practice of Internal Auditing (the Basic Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing).

The purpose of the INDUS Group's Internal Audit department is to provide independent and objective auditing and, if necessary, related consulting services aimed at creating added value and improving the INDUS Group's business processes.

The mission of Internal Audit is to protect the INDUS Group through risk-oriented and objective auditing.

Internal Audit supports the INDUS Group in achieving its goals by using a systematic and targeted approach to evaluate the effectiveness of risk management, controls and management and monitoring processes and to help improve them.

Internal Audit supports the executive bodies of INDUS, in close cooperation with the Compliance department, in particular in performing control and monitoring tasks independently of the line functions, creating transparency and a decision-oriented overview of material risks and their management, especially in

connection with assets, compliance, environment, business processes and management information, compliance with rules and regulations.

2.4 COOPERATION OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD

The Supervisory Board advises and monitors the Board of Management in its management of the company and is involved in decisions of fundamental importance to the company.

The Board of Management informs the Supervisory Board regularly, promptly and comprehensively, in particular, about all relevant issues relating to corporate planning, strategic development, the earnings and financial position, the risk situation, risk management, compliance and internal auditing. More precisely, deviations from targets and plans in the course of business as well as the strategic orientation at company level and the further development of the portfolio structure are also presented. In addition, there is an intensive exchange of information with the Chairman of the Supervisory Board. In accordance with the provisions of the catalogue of transactions requiring approval issued by the Supervisory Board, decisions of fundamental importance to INDUS' business performance require the approval of the Supervisory Board. Furthermore, certain transactions of the company with related parties (related party transactions) require the approval of the Supervisory Board in accordance with Section 111b of the German Stock Corporation Act (AktG). The Board of Management and Supervisory Board work closely together for the benefit of the company. Discussions and debates between the Board of Management and the Supervisory Board are conducted openly and in a trusted environment.

Members of the Board of Management shall immediately disclose any conflicts of interest that may arise to the Supervisory Board (via the Chairman of the Supervisory Board) and the Chairman of the Board of Management and inform the other members of the Board of Management accordingly.

2.5 REMUNERATION SYSTEM AND REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD

The current remuneration system, which was adopted by the Supervisory Board in December 2020, is in line with legal requirements and the German Corporate Governance Code. The remuneration system was last presented to and approved by the Annual Shareholders' Meeting on 26 May 2021. The publication of the resolution and the remuneration system for the members of the Management Board can be found at www.indus.de/en/about-indus/corporate-governance/. The remuneration report and the external auditor's report in accordance with Section 162 of the German Stock Corporation Act (AktG) are made publicly available at the same Internet address.

III. SUPERVISORY BOARD

3.1 MEMBERS AND CHAIR

The Supervisory Board of INDUS consists of 12 members with Mr. Jürgen Abromeit as Chairman and Mr. Wolfgang Lemb as his deputy. In accordance with the German Co-Determination Act (MitbestG), it is composed of an equal number of shareholder and employee representatives. The terms of office of the current Supervisory Board members end at the end of the 2028 Annual Shareholders' Meeting, except for Mr. Carl Martin Welcker, whose term of office ends at the end of the 2026 Annual Shareholders' Meeting. We will provide information on the members of the Supervisory Board and their CVs in the 2023 Annual Report, which will be available on our website from 20 March 2024. The members' CVs can also be viewed on the company's website at www.indus.de/en/about-indus/supervisory-board/. In the 2023 financial year, Dr. Jürgen Allerkamp, Helmut Späth and Uwe Trinogga stepped down from the Supervisory Board at the end of the Annual Shareholders' Meeting on 17 May 2023. They were no longer available for election to the Supervisory Board. At the Annual Shareholders' Meeting on 17 May 2023, Mr. Jan Klingelberg and Prof. Dr. Isabell M. Welpé were newly elected to the Supervisory Board. Mr. Jürgen Abromeit, Dr. Dorothee Becker, Ms. Barbara Schick and Mr. Carl Martin Welcker were re-elected by the Annual Shareholders' Meeting. As part of the direct election of employee representatives held on 21 and 22 March 2023, Mr. Stefan Müller was newly elected to the Supervisory Board. Ms. Pia Fischinger, Ms. Cornelia Holzberger, Mr. Gerold Klausmann, Mr. Wolfgang Lemb and Ms. Dorothee Diehm were re-elected. The 2023 Annual Report and the website at www.indus.de/en/about-indus/supervisory-board/ contain information on how long the individual members have been members of the Supervisory Board, their additional mandates on Supervisory Boards and other comparable supervisory bodies and their management mandates.

Further details on the activities and composition of the Supervisory Board and its committees in the 2023 financial year can be found in the Report of the Supervisory Board in the current 2023 Annual Report.

3.2 COMPOSITION AND DIVERSITY

A. PROFILE OF SKILLS AND EXPERTISE, DIVERSITY POLICY FOR THE SUPERVISORY BOARD

The Supervisory Board must be composed adequately so that its members have the knowledge, skills and professional experience required to properly fulfil their duties. In doing so, the Supervisory Board of INDUS ensures that its composition reflects successful entrepreneurship and entrepreneurial thinking sufficiently.

The Supervisory Board has defined basic individual suitability criteria such as age, education and professional background as well as personality requirements. It has also adopted a diversity concept for the entire Board. The Supervisory Board has also set specific targets for its composition and defined a profile of skills

and expertise for the entire Board.

For the shareholder representatives on the Supervisory Board, the Nomination Committee ensures that the objectives of its composition and the requirements of the German Stock Corporation Act and the German Corporate Governance Code regarding the composition of the Supervisory Board are observed. The Nomination Committee of the Supervisory Board discusses suitable candidate proposals for the election of new shareholder representatives to the Supervisory Board by the Annual Shareholders' Meeting. In addition to the skills profile, the objectives set by the Supervisory Board regarding its composition are also considered. The skills profile and diversity concept of the Supervisory Board and the other objectives for its composition are as follows:

| Target fields | Comment |
|-----------------|---|
| Independence | <ul style="list-style-type: none"> ▪ At least four members of the Supervisory Board representing the shareholders should be independent. ▪ The Supervisory Board should include a maximum of two former members of the Management Board. ▪ No member of the Supervisory Board performs executive or advisory functions for INDUS' major competitors, and no member of the Supervisory Board has a personal relationship with a major competitor. |
| No overboarding | <ul style="list-style-type: none"> ▪ Each member of the Supervisory Board ensures that sufficient time is available to properly fulfil their Supervisory Board mandate. The statutory restrictions on mandates and the recommendations of the German Corporate Governance Code are considered. |
| Term of office | <ul style="list-style-type: none"> ▪ The term of office of the individual members of the Supervisory Board shall end at the latest at the end of the Annual Shareholders' Meeting following the date on which the respective member has been a member of the Supervisory Board for an uninterrupted period of 15 years, i.e. generally three full terms of office. |
| Maximum age | <ul style="list-style-type: none"> ▪ An absolute age limit of 70 years is set for membership of the Board. Appointments may be made up to the Annual Shareholders' Meeting following the member's 70th birthday. |

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|------------------|---|
| Diversity policy | <ul style="list-style-type: none"> ▪ In addition to basic suitability criteria such as age, education and professional background as well as personality requirements, the Supervisory Board also pays attention to diversity. ▪ The members of the Supervisory Board should complement each other in terms of their background, professional experience, knowledge and skills, international experience based on origin and/or professional activity, so that the Board can draw on the broadest possible range of experience, which benefits the Supervisory Board's work. ▪ The Supervisory Board is composed of at least 30% women and at least 30% men. |
|------------------|---|

| Areas of skills/ expertise | Comment |
|--|---|
| Technology & Innovation | <ul style="list-style-type: none"> ▪ Knowledge and experience in the technology fields relevant to the portfolio companies as well as in the definition of innovation strategies and their implementation |
| Mergers & Acquisitions | <ul style="list-style-type: none"> ▪ Knowledge and experience in the implementation of M&A processes |
| Corporate Management (with international experience) | <ul style="list-style-type: none"> ▪ Sustained successful management experience at management/board level, especially in SMEs, as well as proven experience in the development of corporate strategies and their implementation |
| Accounting & Auditing | <ul style="list-style-type: none"> ▪ Knowledge and experience in accounting, financial reporting and external auditors of complex groups of companies |
| Corporate Finance | <ul style="list-style-type: none"> ▪ Knowledge and experience as a banking and finance expert, in controlling and regarding financial risks as well as capital market experience |
| Corporate Governance | <ul style="list-style-type: none"> ▪ Knowledge and experience in the design and monitoring of risk management systems, practical experience in the design and application of performance-related remuneration systems as well as basic knowledge of stock exchange and stock corporation law and the financial markets |
| Sustainability & ESG | <ul style="list-style-type: none"> ▪ Experience and knowledge in sustainable corporate management, resource conservation and the promotion of environmental efficiency measures as well as in sustainability reporting |
| Digitalization | <ul style="list-style-type: none"> ▪ Experience and knowledge of digital transformation and Industry 4.0 |
| Human Resources & Social Affairs | <ul style="list-style-type: none"> ▪ Experience and knowledge in personnel management and development as well as in the areas of co-determination and employee matters |

| Areas of expertise | Jürgen Abromeit | Wolfgang Lemb | Dr. Dorothee Becker | Dorothee Diehm | Pia Fischinger | Cornelia Holzberger | Gerold Klausmann | Jan Klingelberg | Stefan Müller | Barbara Schick | Carl Martin Welcker | Prof. Dr. Isabell M. Welpe |
|--|-----------------|---------------|---------------------|----------------|----------------|---------------------|------------------|-----------------|---------------|----------------|---------------------|----------------------------|
| Technology & Innovation | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mergers & Acquisitions | ✓ | - | ✓ | - | - | - | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| Corporate Management (with international experience) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Accounting & Auditing | ✓ | ✓ | ✓ | - | - | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Corporate Finance | ✓ | ✓ | ✓ | - | - | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| Corporate Governance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Sustainability & ESG | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Digitization | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Human Resources & Social | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Qualification matrix Supervisory Board

B. GENDER QUOTA

Pursuant to Sections 96 (1), 101 (1) German Stock Corporation Act (AktG) and Section 7 (1) sentence 1 no. 1 German Co-Determination Act (MitbestG), the Supervisory Board must be composed of six shareholder representatives and six employee representatives and, pursuant to Section 96 (2) sentence 1 German Stock Corporation Act (AktG), at least 30% women and at least 30% men. In principle, the gender quota must be fulfilled by the Supervisory Board as a whole, unless the shareholder or employee representatives object to the overall fulfilment in accordance with Section 96 (2) sentence 3 German Stock Corporation Act (AktG). The Supervisory Board members representing the shareholders and the employee representatives on the Supervisory Board have objected to the overall fulfilment of the statutory gender quota. The Supervisory Board therefore had to be composed of at least two women and at least two men on both the shareholder representatives' side and the employee representatives' side.

There are currently three women and three men on the Supervisory Board representing the shareholders and three women and three men on the Supervisory Board representing the employees, thus fulfilling the statutory gender quota.

C. INDEPENDENCE

No member of the Supervisory Board exercises or has exercised executive or advisory functions at any of INDUS' major competitors. Furthermore, no member of the Supervisory Board had or has a personal relationship with a major competitor. Recommendation C.11 of the German Corporate Governance Code

that the Supervisory Board should not include more than two former members of the Board of Management is also observed; there is currently one former member of the Board of Management on the Supervisory Board.

The Supervisory Board should include at least four independent shareholder representatives. In the opinion of the Supervisory Board, no member of the Supervisory Board of INDUS is dependent on the company or the Board of Management. Accordingly, Mr. Jürgen Abromeit, Dr. Dorothee Becker, Mr. Jan Klingelberg, Ms. Barbara Schick, Mr. Carl Martin Welcker and Prof. Dr. Isabell M. Welpé are independent.

D. WORKING METHODS OF THE SUPERVISORY BOARD

The Supervisory Board of INDUS appoints the Board of Management, advises it on the management of the company and monitors its conduct of business. It also fulfils all other duties assigned to it by law. Information on the focus of the Supervisory Board's activities in the past year can be found in the Report of the Supervisory Board in the current Annual Report 2023. Monitoring and advice also include sustainability issues.

The Supervisory Board regularly assesses the effectiveness of its activities, most recently in 2022. For this purpose, the Chairman of the Supervisory Board distributed extensive, legally reviewed questionnaires to the Board, which were answered by all Supervisory Board members. The questionnaires sent to the members of the Supervisory Board contained a total of 44 questions from seven subject areas. In addition, analogue self-assessments were carried out by the Personnel Committee and the Audit Committee. The catalogue of questions for the Personnel Committee comprised 11 questions from three areas. The members of the Audit Committee answered 25 questions from five subject areas. After evaluation of the answered question catalogues by the Supervisory Board Chairman, he presented the respective income from the self-assessments for discussion at a Supervisory Board meeting. The income was and will be considered in the further Supervisory Board and committee work.

The Supervisory Board has adopted rules of procedure, which are available on the company's website at www./indus.de/en/about-indus/supervisory-board/.

3.3 ACTIVITY OF THE SUPERVISORY BOARD IN THE REPORTING YEAR

In 2023, the Supervisory Board once again performed all of the tasks incumbent upon it by law or under the Articles of Association. It advised the Board of Management on the management of the company and monitored its actions; at the same time, it was involved in all fundamental decisions. The Board of Management provided the Supervisory Board with regular, comprehensive and timely information on the key aspects of strategy, planning and business development, the earnings situation, risks and their management, compliance and the key aspects of internal auditing.

The Supervisory Board made its decisions on the basis of comprehensive reports and, where applicable, the resolutions proposed by the Board of Management. It had sufficient opportunity to discuss the reports and proposed resolutions of the Board of Management in plenary sessions and in the committees. The Board of Management also provided the Supervisory Board with comprehensive information on projects and matters of particular importance or urgency outside of committee meetings. The Supervisory Board Chairman maintained a constant exchange of information and ideas with the Board of Management. The Supervisory Board passed all resolutions required by law or the Articles of Association.

In the past year, the Supervisory Board held six ordinary meetings in addition to the constituent meeting, which was held in person immediately after the 2023 Annual Shareholders' Meeting. In the 2023 financial year, two Supervisory Board meetings were held as video conferences. The other four meetings of the year were each held in the form of a face-to-face meeting with the option of individual Supervisory Board members joining in via video conference. In addition, one resolution was passed outside of a face-to-face meeting on 19 June 2023. On 16 March 2023, the shareholder representatives on the Supervisory Board passed resolutions on independence and on the election proposals of the shareholder representatives for the Supervisory Board elections at the Annual Shareholders' Meeting on 17 May 2023 in a face-to-face meeting. The Supervisory Board also met regularly without the Board of Management. The Board of Management generally does not attend meetings of the Supervisory Board or the Audit Committee in the presence of the auditor unless the Supervisory Board or the Audit Committee deems this to be absolutely necessary. Further information on the meetings, e.g., on the topics discussed, can be found in the Supervisory Board report in the current 2023 Annual Report. There you will also find an individualised overview of the members' participation in the meetings of the Supervisory Board and the Supervisory Board committees.

3.4 COMMITTEES AND THEIR WORKING METHODS

In the reporting year, the committees of the twelve-member Supervisory Board, which has equal representation, were the Mediation Committee in accordance with Section 27 (3) (MitbestG), the Personnel Committee, the Audit Committee and the Nomination Committee. In addition, the Strategy and ESG Committee was newly established in the 2023 financial year by resolution of the Supervisory Board on 16 May 2023.

A. AUDIT COMMITTEE

The Audit Committee consists of three members. It is chaired by Ms. Barbara Schick, with Prof. Dr. Isabell M. Welpé as an additional shareholder representative and Mr. Gerold Klausmann as an employee representative. The Chairwoman of the Audit Committee is independent and, as a *financial expert*, has special knowledge and experience in the application of accounting principles and internal control procedures, is familiar with external auditors and has expertise in sustainability reporting. The two other members are also financial experts with expertise in the areas of accounting, external auditors and sustainability reporting. The Audit Committee prepares the Supervisory Board's decisions on the annual and consolidated financial statements as well as the proposal to the Annual Shareholders' Meeting for the appointment of the external auditor. It is also responsible for issuing the audit mandate to the external auditor, determining the focal points of the audit and concluding the fee agreement. There is regular dialogue with the external auditor on relevant topics, including outside of meetings. The Audit Committee also monitors the independence of the external auditor and deals with the additional services provided by the external auditor and compliance. The Supervisory Board's Audit Committee monitors the external auditor, including with regard to the quality of the audit. It advises and monitors the Board of Management on issues relating to accounting, the effectiveness of the internal control system, the risk management system and the internal audit system. The Audit Committee is entitled to all statutory rights to information, including the rights to information pursuant to Section 107 (4) sentence 4 German Stock Corporation Act (AktG).

B. PERSONNEL COMMITTEE

The Personnel Committee consists of four members. It consists of the Chairman of the Supervisory Board, Mr. Jürgen Abromeit (Committee Chairman), Dr. Dorothee Becker as an additional shareholder representative and Ms. Dorothee Diehm and Mr. Wolfgang Lemb as employee representatives. In accordance with the rules of procedure, the Human Resources Committee prepares the Supervisory Board's resolutions on the appointment and dismissal of members of the Board of Management. The same applies to the conclusion, amendment and termination of employment contracts as well as resolutions on the Board of Management remuneration system and the remuneration of individual Board of Management members. Decisions in this regard are made by the full Supervisory Board.

C. NOMINATION COMMITTEE

The Nomination Committee is composed of the Supervisory Board Chairman Mr. Jürgen Abromeit (Committee Chairman) as well as Ms. Barbara Schick and Mr. Carl Martin Welcker as additional shareholder representatives. It prepares proposals for the Supervisory Board for the election of shareholder representatives to the Supervisory Board for its election proposals to the Annual Shareholders' Meeting, considering the objectives adopted by the Supervisory Board and the approved profile of skills and expertise, potential conflicts of interest and the diversity concept.

D. STRATEGY AND ESG COMMITTEE

The Strategy and ESG Committee is composed of the Chairman of the Supervisory Board Mr. Jürgen Abromeit (Committee Chairman), Mr. Jan Klingelberg as a further shareholder representative and Ms. Cornelia Holzberger and Mr. Wolfgang Lemb as employee representatives. The members of the Strategy and ESG Committee have proven expertise in the field of strategic planning and/or sustainability. The committee's tasks include, in particular, preparing processes for planning, implementing, assessing and adjusting the business strategy, monitoring the Board of Management's approach to integrating ESG aspects into the corporate strategy and advising the Board of Management on setting strategic goals as well as sustainability and other ESG goals.

E. MEDIATION COMMITTEE

The Mediation Committee entrusted with the tasks pursuant to Section 31 (3) sentence 1 of the German Co-Determination Act (MitbestG) only meets when necessary. At the time of issuing this declaration, the Mediation Committee consists of the Supervisory Board Chairman Mr. Jürgen Abromeit (Committee Chairman and shareholder representative), his deputy Mr. Wolfgang Lemb (employee representative), Ms. Pia Fischinger (employee representative) and Ms. Barbara Schick (shareholder representative). It makes proposals for the appointment of members of the Board of Management if the required two-thirds majority is not achieved in the first ballot.

F. MODE OF OPERATION

The committee meetings are generally held in person. Some committee meetings were also held as video conferences. As with the Supervisory Board, committee resolutions require a simple majority, unless otherwise stipulated by law. The respective committee chairmen report to the Supervisory Board on resolutions and key aspects of the committees' deliberations in a timely manner, usually at the following Supervisory Board meeting.

3.5 COMPENSATION OF THE MEMBERS OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board is regulated in INDUS' Articles of Association, available at www.indus.de/en/about-indus/corporate-governance/. Detailed information on the remuneration of the Supervisory Board and the amount of remuneration paid to its individual members can be found in the current remuneration report, which is published with the external auditor's report in the annual report and at www.indus.de/en/about-indus/corporate-governance/ in accordance with Section 162 of the German Stock Corporation Act (AktG). The remuneration report for the 2022 financial year was approved by the Annual Shareholders' Meeting on 17 May 2023.

3.6 PROPRIETARY TRANSACTIONS OF MEMBERS OF THE SUPERVISORY BOARD

In accordance with Article 19 of the EU Market Abuse Regulation, members of the Supervisory Board are obliged to inform the public if they engage in transactions involving INDUS shares or related derivatives. The transactions carried out by Supervisory Board members in 2023 can be viewed at www.indus.de/en/investor-relations/announcements/.

IV. ACCOUNTING AND AUDIT

4.1 DISCLOSURES ON FINANCIAL STATEMENTS AND MANAGEMENT REPORTS AS WELL AS OTHER REPORTS

In addition to the annual financial statements, INDUS also prepares a semi-annual report and quarterly reports. The separate financial statements of INDUS, which are relevant for the dividend payment, are prepared in accordance with the provisions of the German Commercial Code (HGB). The International Financial Reporting Standards (IFRS) are applied to the consolidated financial statements. In addition to the annual financial statements and the semi-annual report, INDUS also publishes management reports in accordance with Sections 289 and 315 of the German Commercial Code (HGB), which present the company's business performance and position. The separate non-financial Group report is published annually.

Since the 2020 financial year, INDUS has published a separate sustainability magazine to report more on material environmental and social issues. This publication is also published on the website. INDUS will also publish a separate sustainability magazine for the 2023 financial year. The publication dates of the aforementioned publications can be found in the financial calendar, which can be accessed at www.indus.de/en/investor-relations/financial-calendar/.

4.2 AUDIT

The Supervisory Board's Audit Committee monitors the external auditors and ensures their quality. It reviews the independence of the external auditor and deals with the additional services provided by the auditor. It also prepares the proposal to the Annual Shareholders' Meeting for the election of the external auditor and makes a recommendation in this regard. It is also responsible for issuing the audit mandate, determining additional focal points of the audit and reaching a fee agreement with the external auditor. During the audit, the Chair of the Audit Committee is in constant contact with the external auditor and discusses the content of the audit with him or her. In accordance with statutory regulations, the external auditor is elected by the Annual Shareholders' Meeting for one financial year at a time.

On 17 May 2023, the Annual Shareholders' Meeting appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as the external auditor for the company and the

Group for the 2023 financial year, based on the proposal of the Supervisory Board. The Supervisory Board's proposal was in turn based on the recommendation and preference of its Audit Committee.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Osnabrück branch, ensures through internal rotation procedures that the audit procedures are carried out with the necessary distance to the company, in particular that the responsible audit partners end their participation in the external auditor no later than five years after their appointment.

Before the Audit Committee makes a recommendation to the Supervisory Board regarding the appointment of the external auditor, it obtains a statement from the auditing firm as to whether and to what extent business, financial, personal or other relationships exist between the auditing firm, its executive bodies and its audit managers on the one hand and the audited INDUS companies and their executive bodies on the other that could cast doubt on the independence of the external auditor.

Should any circumstances arise during the audit that justify the auditor's bias or exclusion and cannot be rectified immediately, the auditor must inform the Chairman of the Audit Committee without delay. The auditor must also report to the Supervisory Board on all matters of significance for the Supervisory Board's tasks of which it becomes aware during the external auditor's audit. In addition, the auditor must inform the Supervisory Board or make a note in the audit report if it discovers facts that contradict the company's declaration of compliance.

V. SHAREHOLDERS/ANNUAL SHAREHOLDERS' MEETING

The invitation to the Annual Shareholders' Meeting, including the required documents and reports, can be viewed online at www.indus.de/en/investor-relations/shareholders-meeting/.

5.1 SHAREHOLDERS' RIGHTS AT THE ANNUAL SHAREHOLDERS' MEETING

INDUS shareholders exercise their rights at the Annual Shareholders' Meeting. INDUS shareholders can also exercise their voting rights by authorising company proxies, or third parties bound by instructions to exercise their voting rights. The Annual Shareholders' Meeting decides in particular on the appropriation of net retained profits, the discharge of the members of the Board of Management and the Supervisory Board, the appointment of the external auditor, amendments to the Articles of Association and certain capital measures, and elects shareholder representatives to the Supervisory Board.

In addition, the remuneration system for the members of the Management Board and Supervisory Board is submitted to the Annual Shareholders' Meeting for approval in the event of significant changes, but at least every four years. This was last done at the 2021 Annual Shareholders' Meeting. The Annual Shareholders' Meeting also decides annually on the approval of the remuneration report. On 17 May 2023, it

approved the remuneration report for the 2022 financial year, which was prepared and audited in accordance with Section 162 of the German Stock Corporation Act (AktG).

5.2 DEALING WITH PRICE-SENSITIVE INFORMATION; INVESTOR RELATIONS

INDUS publishes all material information relating to the company's situation on its website at www.indus.de/en/. In particular, this includes the annual and interim financial statements, annual reports, half-year and quarterly reports as well as press releases, ad hoc announcements and voting rights announcements. Conference calls are held with financial analysts and investors when business results are published.

INDUS also maintains a lively exchange of information with financial analysts, investors and other capital market participants independently of publication dates. On-site meetings at roadshows and conferences are a key instrument of investor relations. In accordance with the recommendations of the German Corporate Governance Code, the Chairman of the Supervisory Board is involved in these activities at INDUS. In the 2023 financial year, meetings were also held at which the Chairman of the Supervisory Board discussed Supervisory Board-related topics with institutional investors.

5.3 RELATED PARTIES DISCLOSURE

No contracts were concluded between members of the Supervisory Board and INDUS in the 2023 financial year. Memberships of members of the Board of Management and Supervisory Board on the boards of other companies and transactions with related parties are disclosed in the current annual report.