[INDUS]

DECLARATION ON CORPORATE GOVERNANCE PURSUANT TO SECTIONS 289f, 315d OF THE GERMAN COMMERCIAL CODE (HGB)

CORPORATE GOVERNANCE REPORT

Financial year 2022

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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.[1]

I. CORPORATE GOVERNANCE PRINCIPLES

1.1 GENERAL INFORMATION

INDUS Holding AG (hereinafter referred to as INDUS or the company) is a value-oriented portfolio company with a portfolio of 47 medium-sized companies from Germany and Switzerland. INDUS acquires predominantly owner-operated technology-oriented industrial companies and supports them in their business development with a long-term orientation. INDUS ensures that its portfolio companies retain their identity as medium-sized companies. In the coming years, portfolio growth is envisaged through organic growth of the existing portfolio companies and targeted acquisitions in areas related to the topics of the future that are relevant to INDUS. INDUS' registered office is in Bergisch Gladbach in North Rhine-Westphalia. The holding company is managed by a Board of Management that is composed of four members. The Board of Management consists of Dr. Johannes Schmidt (Chairman), Dr. Jörn Großmann, Axel Meyer and Rudolf Weichert.

1.2 CORPORATE OR GROUP STRUCTURE

Being a German stock corporation, INDUS has a dual management system. This is characterized by a strict separation of personnel between the Board of Management as management body and the Supervisory Board as advisory and supervisory body. The two bodies cooperate constructively and in a spirit of trust in the interests of the company and the Group.

Good and sustainable corporate governance is of particular importance to INDUS and its portfolio companies and is regarded as a key 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")

Pursuant to section 161 of the German Stock Corporation Act ("AktG"), the Board of Management and Supervisory Board of a listed German stock corporation are obligated to declare once a year whether the recommendations of the German Corporate Governance Code have been and are being

[1] 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.

complied with and which recommendations have not been or are not being applied and why not. The Board of Management and the Supervisory Board of INDUS Holding AG declare following due examination pursuant to Section 161 of the German Stock Corporation Act (AktG):

As of today, INDUS Holding AG complies with all recommendations of the version of the German Corporate Governance Code dated April 28, 2022, published by the Federal Ministry of Justice in the official section of the Federal Gazette on June 27, 2022, and will continue to do so in the future.

Since issuing its last declaration of compliance on December 9, 2021, INDUS Holding AG has complied with all of the recommendations of the version of the German Corporate Governance Code December 19, 2019, published by the German Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette on March 20, 2020.

Bergisch Gladbach, December 08, 2022

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 is composed of four members: Dr. Johannes Schmidt (Chairman, Labor Director and responsible for the Materials segment), Rudolf Weichert (member of the Board of Management, CFO), 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). For more information, see www.indus.de/en/about-indus/board-of-management/ and the current Annual Report. The Annual Report also contains information on the mandates held by the members of the Board of Management outside this body, which they may accept only with the consent of the INDUS Supervisory Board.

The age limitation policy adopted by the Supervisory Board for members of the Board of Management, which provides for their stepping down upon reaching the age of 67, was complied with in the reporting year 2022.

PROFILE OF SKILLS AND EXPERTISE, SUCCESSION PLANNING FOR THE BOARD OF MANAGEMENT

The Supervisory Board ensures long-term succession planning in cooperation with the Board of Management. To this end, a process has been established by which the Chairman of the Supervisory Board initially exchanges regular information about 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 Human Resources Committee at least once a year. The Human Resources Committee prepares any necessary resolutions of the Supervisory Board in Board of Management matters and informs the Supervisory Board of its consultations. In addition to basic suitability criteria in the selection process for a position on the Board of Management, such as age, education and professional background as well as personal requirements, the Supervisory Board also pays attention to diversity.

Whenever there is a vacancy on the Board of Management, the Supervisory Board, after thorough preparation by the Human Resources Committee, defines a profile of required skills and expertise for the vacant position which best complements the existing profiles of the other Board of Management members or, in the event of the resignation of a member, replaces his or her profile. The Board of Management should have all the skills and experience that are considered to be material for the management of INDUS. The Supervisory Board decides on the specific appointment in the interests of the company, taking into account all the circumstances of the individual case.

DIVERSITY POLICY

The INDUS Supervisory Board has until now been required to set a target for the share of women on the Board of Management in accordance with section 111 (5) of the German Stock Corporation Act (AktG) The Supervisory Board passed the last corresponding resolution on 23 May 2017 and set the target for the share of women on the Board of Management at 0 %.

Since the entry into force of section 76 (3a) sentence 1 of the German Stock Corporation Act (AktG), INDUS, as a company listed on the stock exchange with parity codetermination, has been subject to the binding minimum participation requirement for the Board of Management. This minimum shareholding requirement is currently not yet fulfilled due to the current Executive Board contracts of the incumbent Executive Board members.. Against this background, future new appointments should be made in such a way that the statutory requirements regarding the minimum participation requirement are met.

In accordance with section 76 (4) of the German Stock Corporation Act (AktG), the Board of Management defines targets for the share of women at the two management levels below the Board of Management. There are no management levels below the Board of Management in the organizational structure of INDUS as a holding company. The determination of targets for the share of women at such management levels is therefore not relevant.

2.2 ACTIVITIES AND WORKING METHODS OF THE MANAGEMENT BOARD

The INDUS Board of Management runs the company and has sole responsibility for managing its business activities to the best of the company's interests with the aim of achieving economic success and long-term value-creating business development for the company. It takes into account the interests of all stakeholders, in particular shareholders and employees of the Group. It performs its management function as a collegial body with joint responsibility. The responsibilities of the members 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 determines the company's strategic orientation and ensures its implementation. The Board of Management also outlines the business goals of INDUS, the annual and multi-year projections, the business segments' controlling, the internal control and risk management system, the compliance management system and the internal audit system. The Board of Management's duties also include preparation of the financial reports as well as 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 appendix. The Board of Management usually meets once a week at physical meetings, which are chaired by the Chairman of the Board of Management, and adopts the necessary resolutions. The Board of Management is informed about upcoming topics by the specialist departments. Thanks to its lean structure, the Board of Management is also able to vote in writing outside of the physical meetings, if necessary. The members of the Board of Management work closely together and keep each other informed about important measures and events in the spheres of responsibility assigned to them according to the schedule of responsibilities.

2.3 CORPORATE GOVERNANCE PRACTICES OF INDUS

Information on the activities of the Board of Management is provided in the regular annual, semi-annual, and quarterly reports. The publication dates of these reports can be found in the Financial Calendar at www.indus.de/en/investor-relations/financial-calendar/. In addition, INDUS provides information on events in the Group that are of significance for the capital market as and when they occur.

A. GERMAN CORPORATE GOVERNANCE CODE

Above and beyond the legal requirements of German stock corporation, codetermination and capital market law, INDUS 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 adequate Compliance Management System is in place at the holding company level. In 2021, the Board of Management appointed a Compliance Officer, who reports directly to the Board of Management member in charge of Compliance.

The corresponding risk-oriented measures include, in particular, the communication and implementation of a Code of Conduct to all employees of the company which voluntarily goes beyond the legal requirements. This Code of Conduct defines principles for the conscious and responsible dealing 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 minimization, for sustainable corporate development, as well as the division of central requirements and their independent implementation and management in the portfolio companies. The portfolio companies organize their compliance in a decentralized way. The managing directors of the individual portfolio companies are responsible for the adequate contents of their respective Compliance Management System.

Since the first quarter of 2021, the company has been offering a standardized whistleblower system that complies with the statutory requirements for itself and all portfolio companies. The purpose of this system is to help identify violations of the law and serious misconduct at an early stage, to address them and to put a stop to them as quickly as possible. Thanks to a clearly defined structure for the reporting and processing of the notices received as well as a transparent escalation process for additional confidence, such an easily accessible whistleblowing body creates additional trust and provides the security of being able to report grievances in a protected manner. It is thus intended to ensure the sustainable success of the INDUS Group and to avert any damage to it. It is available not only to employees, but, for instance, also to business partners or customers and thus to anyone who wishes to contribute to the positive development of INDUS in this way. It allows anyone who has knowledge or reasonable suspicion of material misconduct/grievance (violation of law or unethical conduct contrary to our Code of Conduct) to make a report, anonymously if desired.

In addition to our Code of Conduct, the policy statement on respect for human rights was adopted by the Board of Management in the fourth quarter of 2022. This statement supplements and solidifies our Code

of Conduct with regard to human rights and good working conditions and forms a binding basis for implementing human rights standards at INDUS. This policy statement will be made available to all our employees and their representatives in an appropriate form and published on the INDUS Holding AG website at www.indus.de/en/about-indus/corporate-governance/. Key to the success of our commitment is a system of effective processes and measures. To this end, we work in a spirit of trust with the management teams of INDUS portfolio companies in order to identify risks to human rights arising from our business activities at an early stage and to take measures to prevent them in advance. We will regularly review the effectiveness of the relevant processes at the portfolio companies and press ahead with integrating 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 for related party transactions. In particular, certain related party transactions of the company require the approval of the Supervisory Board pursuant to section 111b of the German Stock Corporation Act (AktG).

The requirements of sections 111a et seq. AktG, which were revised as part of the ARUG II, regarding the approval and disclosure requirements for related party transactions also led to a revision of the rules of procedure of the management teams of the individual portfolio companies, which were put into effect in early 2021. According to the updated rules of procedure, related party transactions now require the approval of the relevant shareholders' meeting.

D. D&O INSURANCE DEDUCTIBLE

The company has taken out D&O insurance (financial loss liability insurance) for the members of the Board of Management and the Supervisory Board, which, for the members of the Board of Management, provides for a deductible of 10 percent of the loss up to one and a half times the fixed annual compensation 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 recognized at an early stage the importance of acting responsibly and of continuously improving what has been achieved. In the opinion of INDUS, real business success is not reflected in quarterly figures, but in a company's successful long-term performance. In this context, those corporate factors that are outside the economic dimension are also important: environmental aspects, employee matters, social concerns, respect for human rights, and the fight against corruption and bribery. This is also the basis on which the operationally independent portfolio companies of INDUS operate.

Besides the achievement of economic goals, the exchange between the Board of Management and the management teams of the portfolio companies focuses on relevant sustainability aspects, non-financial performance indicators and the achievement of the objectives the portfolio companies set for themselves. In addition, CSR-related issues are regularly highlighted and discussed at INDUS' annual entrepreneurs' conferences (Unternehmertagungen). In 2016, INDUS integrated an incentive for progress achieved in the area of sustainability into the compensation system of the Board of Management. The separate non-financial report for the INDUS Group is available on the company's website at www.indus.de/en/investor-relations/sustainability/.

F. RISK MANAGEMENT

A basic requirement of good corporate governance is also that risks are systematically recorded, assessed and managed. In accordance with applicable legal requirements, the Board of Management has set up a professional risk management system and an internal control system. The latest Annual Report provides information on the structure of these systems and the main risks and opportunities that currently exist.

G. INTERNAL AUDIT

The Board of Management has set up an internal audit department under the "three lines" model which 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 specialist departments.

2.4 COOPERATION BETWEEN THE BOARD OF MANAGEMENT AND THE SUPERVISORY BOARD

The Supervisory Board advises and supervises the Board of Management in managing the company and is involved in decisions of fundamental importance to the company.

The Board of Management informs the Supervisory Board in a regular, timely, and comprehensive manner of all relevant issues, including particularly those pertaining to the corporate planning process, strategic development, financial position as well as risk situation, to risk management, to compliance and to internal auditing. Deviations from targets and planning in the company's performance are also elucidated, as well as the strategic approach at the company level and the further development of the composition of the portfolio. Information is also exchanged intensively with the Supervisory Board Chairman. According to the list of transactions requiring approval defined by the Supervisory Board, decisions of material importance for the business of INDUS require the Supervisory Board's approval. Also, certain related party transactions of the company require the approval of the Supervisory Board pursuant to section 111b of the German Stock Corporation Act (AktG). The Board of Management and the Supervisory Board cooperate closely to the benefit of the company. Consultations and discussions between the Board of Management and the Supervisory Board are conducted openly and in an atmosphere of trust.

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

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

The current compensation system, which was adopted by the Supervisory Board in December 2020, is in line with statutory provisions and the German Corporate Governance Code. The new compensation system was put to the vote of the Annual Shareholders' Meeting on 26 May 2021 and approved by it. The publication of the resolution and the system for the compensation of the members of the Board of Management can be found at www.indus.de/en/about-indus/corporate-governance/. The compensation report and the auditor's opinion pursuant to 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 has 12 members, with Mr. Jürgen Abromeit serving as Chairman and Mr. Wolfgang Lemb as his deputy. In accordance with the German Codetermination Act (MitbestG), it has been composed of an equal number of shareholder and employee representatives since 29 November 2018. The terms of office of the incumbent Supervisory Board members end at the end of the 2023 Annual Shareholders' Meeting. Information on the members of the Supervisory Board and their résumés is provided in the 2022 Annual Report, which will be available on our website as of 23 March 2023. In addition, the members' résumés are available on the company's website at www.indus.de/en/about-indus/supervisory-board/. Ms. Isabella Pfaller stepped down from the Supervisory Board in the financial year 2022, and Ms. Barbara Schick was elected as her successor by the Annual Shareholders' Meeting on 31 May 2022. The 2022 Annual Report and the website at www.indus.de/en/about-indus/supervisory-board/ provide information on how long the individual members have served on the Supervisory Board as well as on the additional mandates they hold on supervisory boards and other comparable supervisory bodies and on the management mandates held by them.

Further details on the activities and composition of the Supervisory Board and its committees in the financial year 2022 are provided in the report of the Supervisory Board in the 2022 Annual Report.

3.2 COMPOSITION AND DIVERSITY

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

The Supervisory Board must be so composed that its members as a whole have the required knowledge,

abilities and professional experience to complete their tasks properly. The INDUS Supervisory Board takes care to ensure that its composition reflects sufficient successful entrepreneurship and entrepreneurial thinking.

The Supervisory Board has determined basic individual suitability criteria such as age, education and professional background as well as personality requirements. In addition, it has adopted a diversity policy for the whole board. Furthermore, the Supervisory Board has defined concrete targets for its composition as well as a profile of skills and expertise for the whole board.

The Nomination Committee ensures that the targets regarding 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 for the shareholder representatives on the Supervisory Board. 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 this context, it considers not only the profile of skills and expertise but also the targets defined by the Supervisory Board with regard to its composition. The profile of skills and expertise and the diversity policy of the Supervisory Board as well as the further targets for its composition are structured as follows:

Target fields	Comment
Independence	▪ 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 Board of Management. ▪ No member of the Supervisory Board performs board functions or advisory tasks at any major competitors of INDUS or has personal relations with a major competitor.
No overboarding	▪ Each member of the Supervisory Board must ensure that sufficient time is available to properly fulfill the Supervisory Board mandate. The statutory mandate restrictions and the recommendations of the German Corporate Governance Code are taken into account.
Term of office	▪ The term of office of the individual members of the Supervisory Board should end no later than at the conclusion of the Annual Shareholders' Meeting following the date on which the respective member has served on the Supervisory Board for an uninterrupted period of 15 years, i.e., as a rule three full terms of office.

Maximum age	▪ An absolute age limit of 70 years is set for membership of the Supervisory Board. The appointment may be made no later than the Annual Shareholders' Meeting following the member's reaching the age of 70.
DIVERSITY POLICY	▪ In addition to basic suitability criteria such as age, education and professional background as well as personal 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 due to origin and/or professional activity, so that the Supervisory Board can draw on the broadest possible pool of experience, which benefits the Supervisory Board's work. ▪ At least 30 % of the Supervisory Board should be composed of women and at least 30 % composed of men.

Areas of skills/ Expertise	Comment
Technology & innovation	▪ 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	▪ Knowledge and experience in the implementation of M&A processes
Corporate governance (with international experience)	▪ Sustainably successful management experience at management/management board level, especially in medium-sized companies, as well as proven experience in the development of corporate strategies and their implementation
Accounting & auditing	▪ Knowledge and experience in accounting as well as financial reporting and auditing of complex groups of undertakings
Corporate finance	▪ Knowledge and experience as a banking and finance expert, in controlling and with regard to financial risks, as well as capital market experience
Corporate governance	▪ Knowledge and experience in the design and monitoring of risk management systems, practical experience in the design and application of performance-based compensation systems, as well as basic knowledge of stock exchange and stock corporation law and the financial market
Sustainability & ESG	▪ Experience and knowledge in sustainable corporate management, resource conservation and promotion of environmental efficiency measures as well as in sustainability reporting

Digitalization	▪ Experience and knowledge in digital transformation and Industry 4.0
Personnel and social matters	▪ Experience and knowledge in personnel management and development as well as in the areas of codetermination and employee matters

Areas of expertise	Jürgen Abromeit	Wolfgang Lemb	Dr. Jürgen Allerkamp	Dr. Dorthee Becker	Dorothee Diehm	Pia Fischinger	Cornelia Holzberger	Gerold Klausmann	Barbara Schick	Helmut Späth	Uwe Trinogga	Carl Martin Welcker
Technology & Innovation	✓	✓	–	✓	–	✓	–	✓	✓	✓	✓	✓
Mergers & Acquisitions	✓	–	✓	✓	–	–	–	✓	✓	✓	–	✓
Corporate management (with international experience)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Accounting & Auditing	✓	✓	✓	✓	–	–	–	✓	✓	✓	–	✓
Corporate Finance	✓	✓	✓	✓	–	–	✓	✓	✓	✓	–	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sustainability & ESG	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Digitization	✓	✓	✓	✓	–	✓	–	✓	✓	✓	✓	✓
Human Resources & Social	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Supervisory Board qualification matrix

B. GENDER QUOTA

Pursuant to sections 96 (1), 101 (1) of the German Stock Corporation Act (AktG) and section 7 (1) sentence 1 No. 1 of the German Codetermination Act (MitbestG), the Supervisory Board must be composed of six shareholder representatives and six employee representatives and additionally, pursuant to section 96 (2) sentence 1 of the German Stock Corporation Act (AktG), of at least 30 % of women and at least 30 % of men. As a general rule, the gender quota must be fulfilled by the Supervisory Board as a whole unless the shareholder representatives or the employee representatives object to the overall fulfilment in accordance with section 96 (2) sentence 3 of the German Stock Corporation Act (AktG). The members of the Supervisory Board representing the shareholders objected to the overall fulfillment of the statutory gender quota. Consequently, the Supervisory Board had to be made up of at least two women and at least two men on the side of both the shareholder representatives and the employee representatives.

There are currently two women and four men on the side of the shareholder representatives on the Supervisory Board and three women and three men on the side of the employee representatives, which means that the statutory gender quota is being fulfilled.

C. INDEPENDENCE

No member of the Supervisory Board performs or has performed executive, supervisory or consulting functions at any significant competitors of INDUS. Furthermore, no member of the Supervisory Board had or has personal relations with a major competitor. The company also complies with recommendation C.11 of the German Corporate Governance Code, which stipulates that no more than two former members of the Board of Management shall be members of the Supervisory Board; at present, one former member of the Board of Management serves on the Supervisory Board.

The Supervisory Board should include at least four independent shareholder representatives. In the opinion of the shareholder representatives, the Supervisory Board of INDUS does not include any shareholder representative considered to be dependent on the company and the Board of Management. This means that Mr. Jürgen Abromeit, Dr. Jürgen Allerkamp, Dr. Dorothee Becker, Ms. Barbara Schick, Mr. Helmut Späth, and Mr. Carl Martin Welcker are independent.

D. WORKING METHODS OF THE SUPERVISORY BOARD

The Supervisory Board of INDUS appoints the Board of Management, provides guidance regarding company management, and monitors management activities. It also performs all other duties imposed on it by the law. Information regarding the focal points of Supervisory Board activity last year is available in the report of the Supervisory Board in the 2022 Annual Report. Monitoring and consulting also cover sustainability issues in particular.

The Supervisory Board regularly assesses the effectiveness of its activities, most recently in 2022. For this purpose, the Chairman of the Supervisory Board distributed comprehensive, legally verified questionnaires among the Supervisory Board members, which were answered by all of them. The questionnaires for the members of the Supervisory Board contained a total of 44 questions from seven subject areas. The Human Resources and Audit Committees carried out similar self-assessments. The questionnaire for the Human Resources Committee contained 11 questions from three subject areas. The members of the Audit Committee answered 25 questions from five subject areas. Following evaluation of the questionnaires by the Supervisory Board Chairman, he presented the results of the self-assessments for discussion at a Supervisory Board meeting. The results have been and will be taken into account in the activities of the Supervisory Board and its committees.

The Supervisory Board has given itself 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 2022, the Supervisory Board again performed all the duties incumbent upon it by law or under the Articles of Incorporation. It advised the Board of Management on managing the company and supervised its actions; at the same time, it was involved in all fundamental decisions. It was informed by the Board of Management regularly, comprehensively and without delay about the key aspects of strategy, planning and business performance, the financial position, risks and their management, as well as compliance and the key aspects of internal auditing.

The Supervisory Board made its decisions on the basis of comprehensive reports and, where appropriate, resolution proposals submitted by the Board of Management. It had ample opportunity to discuss the reports and resolution proposals of the Board of Management in plenary sessions and in the committees. The Board of Management kept the Supervisory Board fully informed also outside of the meetings about projects and matters of particular importance or urgency. The Chairman of the Supervisory Board 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 Incorporation.

In the past year, the Supervisory Board held eight ordinary meetings. Several meetings of the Supervisory Board in the financial year 2022 were held as virtual meetings or as a physical meeting with the option of virtual participation. Furthermore, the shareholder representatives adopted the resolutions on independence (minimum number of independent shareholder representatives, independence of the respective shareholder representatives) in a video conference call. The resolutions of the shareholder representatives regarding Ms. Schick's independence and election to the Supervisory Board took place in the form of a physical meeting with the option of individual shareholder representatives on the Supervisory Board being connected via video conference. The Supervisory Board met regularly also without the Board of Management. As a matter of principle, the Board of Management 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. For further information on the meetings, e.g., on the topics discussed, please refer to the report of the Supervisory Board in the 2022 Annual Report. The report also includes an individualized overview of the participation of the members in the meetings of the Supervisory Board and the Supervisory Board committees.

3.4 COMMITTEES AND THEIR WORKING METHODS

In the reporting year, the twelve-strong Supervisory Board with equal representation of the shareholders and the employees formed a Mediation Committee pursuant to section 27 (3) of the German Codetermination Act (MitbestG), a Human Resources Committee, an Audit Committee and a Nomination Committee.

A. AUDIT COMMITTEE

The Audit Committee is composed of three members. It consists of the Chairwoman of the Committee, Ms. Barbara Schick, as well as Dr. Jürgen Allerkamp as further shareholder representative and Mr. Gerold Klausmann as employee representative. The Chairwoman of the Audit Committee is independent, has special expertise and experience as a financial expert in the application of accounting principles and internal control procedures, is familiar with the auditing process and has expertise in sustainability reporting. The two other members are also financial experts with expertise in the fields of accounting, auditing and sustainability reporting. The Audit Committee prepares the decisions of the Supervisory Board on the annual and the consolidated financial statements as well as the proposal to the Annual Shareholders' Meeting on the election of the external auditor. It is also responsible for issuing the audit engagement letter to the external auditor, determining the focal points of the audit and concluding the fee agreement. A regular exchange with the external auditor on relevant topics is held also outside the meetings. In addition, the Audit Committee monitors the independence of the external auditor and addresses the additional services provided by the auditor as well as compliance-related issues. The Audit Committee of the Supervisory Board supervises the audit of the financial statements, also with regard to its quality. It advises and monitors the Board of Management in matters 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 of the German Stock Corporation Act (AktG).

B. HUMAN RESOURCES COMMITTEE

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

C. NOMINATION COMMITTEE

The Nomination Committee consists of the Supervisory Board Chairman, Mr. Jürgen Abromeit (Committee Chairman), as well as Ms. Barbara Schick and Mr. Carl Martin Welcker as further shareholder representatives. It drafts proposals for the Supervisory Board's nominations to the Annual Shareholders' Meeting for the election of Supervisory Board members representing the shareholders, taking into account

the targets set by the Supervisory Board and the approved profile of skills and expertise, potential conflicts of interest and the diversity policy.

D. MEDIATION COMMITTEE

The Mediation Committee, which is entrusted with the tasks pursuant to section 31 (3) sentence 1 of the German Codetermination Act (MitbestG), meets only when necessary. At the time of issue of 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) and Ms. Pia Fischinger (employee representative). It makes proposals for the appointment of members to the Board of Management if the required two-thirds majority is not achieved in the first ballot.

E. WORKING METHODS

The meetings of the committees are usually held as physical meetings. Some of the meetings were also held as video conferences. As with the Supervisory Board itself, committee decisions require a simple majority, unless the law provides otherwise. The respective committee chairpersons 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 compensation of the Supervisory Board is governed by INDUS' Articles of Incorporation, which are available at www.indus.de/en/about-indus/corporate-governance/. Detailed information on the compensation of the Supervisory Board and the amount of compensation paid to the individual members is provided in the current compensation report, which is published together with the auditor's opinion in the Annual Report and at www.indus.de/en/about-indus/corporate-governance/ in accordance with section 162 German Stock Corporation Act (AktG). The compensation report for the financial year 2021 was approved by the Annual Shareholders' Meeting on 31 May 2022.

3.6 PROPRIETARY TRANSACTIONS OF MEMBERS OF THE SUPERVISORY BOARD

Members of the Supervisory Board are required by Article 19 of the EU Market Abuse Regulation to inform the public when they engage in transactions involving INDUS shares or related derivatives. The transactions conducted by members of the Supervisory Board in 2022 can be found 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

Besides the annual financial statements, INDUS also prepares a semi-annual report as well as quarterly reports. The individual 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 consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). Besides the annual and semi-annual report, INDUS also publishes management reports pursuant to section 289 and section 315 of the German Commercial Code (HGB), which present the company's performance and position. The separate non-financial Group report is published annually.

Since the financial year 2020, INDUS has prepared a separate sustainability magazine with a view to intensifying its reporting on environmental and social matters. This publication will also be published on the website. INDUS will also prepare a separate sustainability magazine for the financial year 2023. The publication dates of these reports and statements can be found in the Financial Calendar at www.indus.de/en/investor-relations/financial-calendar/.

4.2 AUDIT

The Audit Committee of the Supervisory Board supervises the audit of the financial statements and ensures its quality. It reviews the independence of the external auditor and deals with the additional services provided by the latter. Moreover, it prepares the proposal to the Annual Shareholders' Meeting for the election of the external auditor and makes a recommendation in this regard. The Audit Committee is also responsible for issuing the audit engagement letter, determining additional focal points of the audit and concluding a fee agreement with the external auditor. During the audit, the Chairman or Chairwoman of the Audit Committee is in constant contact with the external auditor and exchanges views with the latter on the contents of the audit. The external auditor is elected by the Annual Shareholders' Meeting for one financial year at a time in accordance with the statutory provisions.

On 31 May 2022, the Annual Shareholders' Meeting – based on the proposal of the Supervisory Board – appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as the external auditor for the company and the Group in the 2022 financial year. The Supervisory Board's proposal was in turn based on the recommendation and preference of its Audit Committee: The Audit Committee's recommendation had been preceded by a selection procedure conducted in accordance with Article 16 of the EU Audit Regulation (Regulation (EU) No. 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding the statutory audit of public-interest entities and repealing Decision No. 2005/909/EC of the Commission). Subsequently, the Audit Committee had recommended PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, and

BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, to the Supervisory Board for the tendered audit mandate, stating its reasons, and communicated a reasoned preference for PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. In this respect, the Audit Committee had also stated that its recommendation is free from improper influence by a third party and that no clause of the kind referred to in Article 16 (6) of the EU Audit Regulation restricting its selection options has been imposed upon it.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Osnabrück branch, uses internal rotation procedures to ensure that the audit procedures are performed with the appropriate distance from the company, in particular that the responsible audit partners end their participation in the audit no later than five years after their appointment.

Before the Audit Committee makes a recommendation to the Supervisory Board regarding the engagement 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 it, its managing and controlling bodies, and its audit managers, on the one hand, and the audited INDUS companies and their managing and controlling bodies, on the other, that could give rise to doubts about the external auditor's independence.

Should circumstances arise during the audit which constitute grounds for bias on the part of the auditor or for his or her disqualification and which cannot be remedied 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 importance to the Supervisory Board's duties that come to his or her attention during the audit of the financial statements. Moreover, the auditor must inform the Supervisory Board or make a note in the audit report if he or she discovers facts that contradict the company's declaration of conformity.

V. SHAREHOLDERS/ANNUAL SHAREHOLDERS' MEETING

The invitation to the Annual Shareholders' Meeting including the required documents and reports is available on the internet at www.indus.de/en/investor-relations/shareholders-meeting/.

5.1 SHAREHOLDERS' RIGHTS AT THE ANNUAL SHAREHOLDERS' MEETING

INDUS shareholders may also exercise their voting rights by authorizing the company's delegated proxies, who are bound by instructions, or third parties to exercise their voting rights. At the 2021 Annual Shareholders' Meeting, the shareholders voted for the first time on the compensation system for the Board of Management and the Supervisory Board in accordance with the Act Implementing the Shareholders' Rights Directive (ARUG II). On 31 May 2022, the Annual Shareholders' Meeting approved the compensation report for the 2021 financial year, 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/. This includes, in particular, the annual and semi-annual financial statements, annual reports, semi-annual and quarterly reports as well as press releases, ad hoc announcements and voting rights notifications. Conference calls are held with financial analysts and investors on the occasion of the publication of the company's results.

INDUS also maintains a lively exchange of information with financial analysts, investors and other capital market participants above and beyond the publication dates. Face-to-face meetings at roadshows or conferences are a key investor relations instrument. In accordance with the recommendations of the GCGC, the Chairman of the Supervisory Board is involved in these activities at INDUS. In the 2022 financial year, meetings were also held at which the Supervisory Board Chairman discussed topics relating to the Supervisory Board with institutional investors.

5.3 RELATED PARTY DISCLOSURE

No contracts were concluded between members of the Supervisory Board and INDUS in the 2022 financial year. Memberships of members of the Board of Management and the Supervisory Board in governing bodies of other companies as well as transactions with related parties are disclosed in the Annual Report for the respective year.