



Corporate Governance Statement

The corporate governance statement pursuant to section 289f of the German Commercial Code includes the declaration of compliance pursuant to section 161 of the German Stock Corporation Act, relevant disclosures on corporate governance practices, a description of the working methods of the Executive Board and Supervisory Board as well as the composition and working methods of their committees, the stipulations pursuant to section 76 (4) and section 111 (5) of the German Stock Corporation Act.

The annual financial statements, like the corporate governance statement, are available for download on the company's website at <https://www.altechadvancedmaterials.com>. The audit of the disclosures pursuant to § 289f paragraph is to be limited to whether the disclosures have been made (see § 317 paragraph 2 sentence 6 HGB).

Declaration of compliance

The Management Board and Supervisory Board of Altech Advanced Materials AG last declared in a resolution dated 3 March 2021 that they would no longer apply the recommendations of the Government Commission on the German Corporate Governance Code. The Management Board and Supervisory Board continue to hold this view. By resolution dated 18. February 2022, the Executive Board and Supervisory Board again determined not to comply with the recommendations of the Government Commission on the German Corporate Governance Code as published in the Federal Gazette on 20 March 2020. The Company is of the opinion that the recommendations of the Government Commission on the German Corporate Governance Code were designed for large public companies, but are inappropriate for companies of the size of Altech Advanced Materials AG, therefore the recommendations of the Government Commission on the German Corporate Governance Code will not be complied with in the future. The size and economic importance of the company do not require orientation towards the recommendations of the Government Commission on the German Corporate Governance Code, which are essentially designed for large listed companies. In all other respects, proper corporate governance is possible by observing the statutory provisions.

The declarations of compliance are available for download at <https://www.altechadvancedmaterials.com>.

Working methods of the Executive Board and the Supervisory Board

The dual management system of the AG with the executive board and the supervisory board, both of which have independent competences, is a fundamental principle of German company law. In the spirit of responsible corporate governance, the executive board and the supervisory board work together closely and in a spirit of trust in controlling and monitoring and for the good of the company.

The working methods of the Management Board and Supervisory Board of Altech Advanced Materials AG are based on the relevant laws, the Articles of Association of Altech Advanced Materials AG, the resolutions of the Annual General Meeting of Altech Advanced Materials AG, the Rules of Procedure for the Supervisory Board, the Rules of Procedure for the Management Board and the numerous recommendations of the German Corporate Governance Code.

According to the Companies Act, the Supervisory Board appoints the members of the Executive Board. The supervisory board advises and supervises the executive board in its management of the company and, according to § 7 of the articles of association, decides how many members the executive board should have (according to the articles of association, the executive board consists of one or more members). It may appoint a member of the Executive Board as Chairman

of the Executive Board. The Articles of Association regulate under § 4 and § 6 the transactions that are subject to the approval of the Supervisory Board. The representation regulation in § 9 of the Articles of Association provides that the Supervisory Board may, in deviation from joint representation, grant each Executive Board member individual representation authorisation or exemption from the restrictions of § 181 of the German Civil Code (BGB). Mr Hansjörg Plaggemars was appointed to the Executive Board of the Company with sole power of representation at all times by resolution of 18 September 2018. By resolution of 17 July 2019, Mr Ignatius Tan and Mr Uwe Ahrens were appointed as further members of the Executive Board, representing the Company in accordance with the Articles of Association. Since the Executive Board extension resolution of 9 October 2019, Mr Plaggemars also represented the Company in accordance with the Articles of Association. By resolution of the Supervisory Board of 15 July 2020, the Executive Board members were each granted individual power of representation. By resolution of the Supervisory Board of 1 October 2021, the appointment of all Executive Board members was extended until the end of 31 December 2022.

Pursuant to Article 8 of the Articles of Association, the Supervisory Board issued rules of procedure for the Executive Board, most recently on 12 March 2020. The rules of procedure contain a catalogue of transactions that require the approval of the Supervisory Board.

The Executive Board shall manage the Company, strategically orientate the Company, manage its business, plan and set the budget and control the business areas. It shall ensure an appropriate risk management and control system in the company. Systematic risk management within the framework of value-oriented corporate management shall ensure that risks are recognised, analysed and evaluated at an early stage and that risk positions are optimised.

The Supervisory Board has not established rules of procedure for its own activities. Since the company does not currently have any operating business of its own, but rather acts as an investment company, the Supervisory Board is of the opinion that the statutory provisions and the provisions of the Articles of Association are sufficient.

The Executive Board and the Supervisory Board exchanged information and ideas during the financial year 2021. Providing information to the Supervisory Board was a joint task of the Executive Board and the Supervisory Board. The Executive Board members Hansjörg Plaggemars, Ignatius Tan and Uwe Ahrens informed the Supervisory Board promptly and comprehensively about the developments of the company, the current situation of the company, existing risks and their development.

The activities of the Supervisory Board are reported on each year in the Report of the Supervisory Board, which is explained by the Chairman of the Supervisory Board at the Annual General Meeting.

By resolution of the Annual General Meeting of 17 July 2019, the Supervisory Board of the Company, which now consists of five persons, has established two committees, namely an Industry Committee and an Audit Committee, which make the knowledge gained in the committees available to the full Supervisory Board and on which resolutions are passed there if necessary. This mainly concerns the audit of the half-year and annual financial statements as well as capital measures, strategy regarding the joint construction of a pilot plant for an anode battery coating materials plant at the AIG shareholding and personnel matters of the Executive Board.

There was no D&O insurance for the members of the Executive Board and Supervisory Board for the financial year 2021.

Disclosures on significant corporate governance practices

The sustainable increase of the company's value is the guiding principle of the actions of the members of the Management Board and Supervisory Board of Altech Advanced Materials AG. The confidence of shareholders and other stakeholders in effective and transparent corporate governance is of paramount importance. The aim of investor relations work at Altech Advanced Materials AG is to meet the expectations of the capital markets for transparency and to provide shareholders with an accurate picture of the company.

The Supervisory Board and the Executive Board are constantly striving to optimise communication in order to achieve a sustainable and appropriate valuation of the share and to manage and utilise the assets of the company in the best possible way.

Altech Advanced Materials AG has had two employees since November 2018. Due to the small number of employees reporting directly to the Board of Directors, there are currently no separate standards, such as ethical standards, labour standards and social standards.

Determinations pursuant to § 76 (4) and § 111 (5) of the Stock Corporation Act

Pursuant to section 289f (2) no. 4 of the German Commercial Code (HGB), listed stock corporations must set targets for the proportion of women and deadlines for achieving them, must prepare a corporate governance statement with the stipulations and information accordingly as to whether the stipulated targets have been achieved during the reference period and, if not, for what reasons.

The Executive Board and the Supervisory Board declare in this regard:

Pursuant to section 111 (5) of the German Stock Corporation Act (AktG), the supervisory board is obliged to set a target for the proportion of women on the supervisory board and a deadline for achieving this target.

The Supervisory Board of Altech Advanced Materials AG currently has five members, all of whom are male. The Chairman of the Supervisory Board, Dr Burkhard Schäfer, was appointed by the Annual General Meeting on 14 September 2018, the member of the Supervisory Board, Mr Dieter Rosenthal, was appointed by the Annual General Meeting on 17 July 2019, the member of the Supervisory Board, Mr Werner Klatten, was appointed by court order on 31 October 2019 and by the Annual General Meeting on 15 January 2020. January 2020, the Deputy Chairman of the Supervisory Board, Mr Wilko Stark, has been elected by the Annual General Meeting of 12 March 2020 and the member of the Supervisory Board, Mr Nikolaus Graf Lamsdorff, has been elected by the Annual General Meeting of 08 September 2020, in each case until the end of the Annual General Meeting that resolves on the discharge for the 2022 financial year. An enlargement of the Supervisory Board, which works extremely efficiently with five members, is not intended. Therefore, the supervisory board can only set a target of 0% for the proportion of women on the supervisory board for the period until at least 31 December 2022.

By resolution of 31 March 2019, the Supervisory Board set a target of 0% for the proportion of women on the Supervisory Board for the period until 31 December 2026. This target has been reached so far.

At the end of the target achievement period, but also in the event that Supervisory Board elections become necessary before then, the Supervisory Board will, however, again deal with the target quota and - as in the past - will always be open to the participation of women in the Supervisory Board of the company.

Pursuant to section 111 (5) of the German Stock Corporation Act (AktG), the supervisory board is also obliged to set a target for the proportion of women on the executive board, as well as a deadline for achieving this target. The supervisory board had set 31 December as the end 2021 of the target achievement period.

At the moment, the Executive Board consists exclusively of male persons with Mr Hansjörg Plaggemars, Mr Ignatius Tan and Mr Uwe Ahrens and therefore has a female quota of 0 %. Mr Hansjörg Plaggemars, Mr Ignatius Tan and Mr Uwe Ahrens were appointed until 31 December 2022.

By resolution of 26. February 20,21 the Supervisory Board set a target of 0% for the proportion of women on the Executive Board for the period until 31 December 2021. This target was achieved. A personnel change in the Executive Board or an increase in the number of Executive Board members is currently not foreseeable. Therefore, the Supervisory Board can only set a target of 0% for the proportion of women on the Executive Board for the period until 31 December 2022.

However, in the event that personnel changes in the Executive Board become necessary before then, the Supervisory Board will again deal with the target quota and - as in the past - will always be open to the participation of women in the Executive Board of the company.

Pursuant to § 76 para. 4 AktG, the Management Board of Altech Advanced Materials AG is obliged to set targets for the proportion of women in the two management levels below the Management Board as well as a target achievement period. According to § 76 para. 4 sentence 4 AktG, the target achievement periods may not be longer than five years. The Executive Board has set 31 December 2022 as the end of the target achievement period.

Altech Advanced Materials AG has no management levels below the Management Board. The Board of Directors currently does not intend to make any personnel changes until 31 December 2022. Therefore, as a precautionary measure, the Board can only set a target of 0% for the proportion of women in the first and second management levels.

At the end of the target achievement period, but also in the event of any personnel changes in the two management levels below the Executive Board that may become necessary before then, the Executive Board will, however, deal with the target quota again and - as in the past - will always be open to the participation of women in the management of the company.