

**Statement of JOST Werke AG on the comments of BVI/IVOX Glass Lewis on agenda items 4-6 of the JOST Werke AG Annual General Meeting on May 6, 2021:**

**Agenda Item 4: Approval of the actions of the Supervisory Board**

- No Individualized indication of attendance at meetings:

In the Report of the Supervisory Board (Annual Report 2020, p. 14 ff), JOST published the following information on the attendance of Supervisory Board members at meetings:

Regarding Supervisory Board meetings (p. 15):

*“Five of the six Supervisory Board members attended all meetings and resolutions, while one member was prevented from participating in one conference call for good reason. As a result, the overall attendance rate was 98%; in the face-to-face meetings this rate was 100%.”*

Regarding Audit Committee meetings (p. 15):

*„Two of the three committee members attended all meetings, while one member was prevented from attending one conference call for good reason. As a result, the overall attendance rate was 97%; in the face-to-face meetings this rate was 100%”*

Regarding Executive and Nomination Committee meetings (p. 15):

*“The overall attendance rate was 100%.”*

The Supervisory Board is of the opinion that the published information provides shareholders with sufficient indications to be able to assess the attendance of Supervisory Board members at meetings. The Supervisory Board understands that a roll call is important in cases where the attendance rate is not as high. Given the high attendance rate at JOST, the Supervisory Board is of the opinion that additional naming of committee members is not necessary. The Supervisory Board has commented on this as part of its Declaration of Compliance:

*„Insofar as individual members of the Supervisory Board or its committees did not participate in meetings of the Supervisory Board or the relevant committees in the past, they did exclusively so for important and comprehensible reasons. In such cases, these members were subsequently informed about the meeting proceedings. Therefore, the Supervisory Board considers it inappropriate to single out such members by name in its report.“*

- D&O insurance with deductible for Supervisory Board members; deductible not ascertainable  
see commentary on agenda item 6 Supervisory Board compensation
- No designation of a member of the Executive Board as responsible for ESG issues.  
JOST published the following information in the Report of the Supervisory Board (Annual Report 2020, p. 14 et seq.):

Composition of the Executive Board (p. 18)

*„There were no personnel changes on the Executive Board in fiscal year 2020. Responsibility for quality has been assigned to Dr. Ralf Eichler (COO). Sustainability was appointed as a Board function and has been assigned to Dr. Christian Terlinde (CFO).“*

This information can also be found on the Corporate Governance Statement under <https://www.jost-world.com/en/corporate/investor-relations/corporate-governance.html>, which contains the following overview:

Members of the Executive Board	Departmental responsibilities
Joachim Dürr (CEO)	Sales, Strategy and Business Development, Research and Development, Human Resources, Marketing, Communications
Dr. Ralf Eichler (COO)	Procurement, Production, Logistics, Quality, Industrial Engineering
Dr. Christian Terlinde (CFO)	Finance and Treasury, Group Accounting and Reporting, Controlling, IT, Legal & Compliance, Investor Relations, Internal Audit, Sustainability

The responsibility for sustainability matters, which fall under the purview CFO Dr. Christian Terlinde, also includes ESG issues. The Sustainability Report of JOST for fiscal year 2020 can be found online under the following link [https://www.jost-world.com/fileadmin/documents/pdfs/JOST\\_sustainability\\_report\\_2020\\_EN.pdf](https://www.jost-world.com/fileadmin/documents/pdfs/JOST_sustainability_report_2020_EN.pdf)

- Standard term of office for Supervisory Board members  
In the Report of the Supervisory Board (Annual Report 2020, p. 14 et seq.), JOST has disclosed until which Annual General Meeting the members of the Supervisory Board have been appointed. No additional information was provided, as all members of the Supervisory Board were appointed with the IPO (2017) and the Supervisory Board has remained unchanged since then.
- Rules of Procedure of the Executive Board  
JOST has described the rules of procedure of the Executive Board in the corporate governance statement. In accordance with Section 8 (3) of the Articles of Association of JOST Werke AG, they regulate the principles of management and cooperation within the Executive Board.

The Rules of Procedure of the Supervisory Board can be found under [https://www.jost-world.com/fileadmin/documents/pdfs/investor-relations/Corporate\\_Governance/JOST\\_Werke\\_AG\\_Geschaeftsordnung\\_des\\_Aufsichtsrats.pdf](https://www.jost-world.com/fileadmin/documents/pdfs/investor-relations/Corporate_Governance/JOST_Werke_AG_Geschaeftsordnung_des_Aufsichtsrats.pdf).

- Design of the published curricula vitae of the members of the Supervisory Board: no designation of mandates as listed/non-listed or group mandate  
  
No members of the Supervisory Board hold group mandates. The scope of consolidation is disclosed in the annual financial statements; for this reason, we did not originally mention this explicitly in the list of mandates. A corresponding note has now been added to our webpage. In principle, information on whether companies are listed or not is publicly available. This information has also been added to our webpage <https://www.jost-world.com/en/corporate/company/supervisory-board.html>
- A quota of 30 percent women on the Supervisory Board is not achieved/ A quota of 30 percent women on the Supervisory Board from the shareholder side is not achieved

The quota of 30 percent women on the Supervisory Board required by Section 96 (2) of the German Stock Corporation Act is not applicable to JOST. All Supervisory Board members are representatives of the shareholders, as JOST is not subject to co-determination.

Nevertheless, JOST has voluntarily set itself a quota of 17 percent women on the Supervisory Board (i.e. at least one woman on the six-member Supervisory Board), which is being met.

#### **Re. Item 5: Resolution on the approval of the compensation system for the members of the Executive Board**

- No share-ownership guidelines

As 55% of the variable remuneration of the Executive Board (so-called LTI component) is already invested virtually in shares of the Company (so-called stock awards), a large part of the remuneration of the Executive Board is already linked to the share performance and thus granted on a share-based basis in accordance with G.10. Any further obligation on the part of the Executive Board to invest parts of their fixed remuneration in shares of JOST Werke AG does not appear appropriate to the Supervisory Board.

Members of the Executive Board can invest in shares of the Company on a voluntary basis and have done so in the past. Thus, all members of the Executive Board are also shareholders of the Company.

- Vague wording in places (e.g. target total compensation is expected to generally be within the following ranges: Fixed compensation: 33% to 60% / STI: 20% to 30% / LTI: 25% to 40%)

The specification of ranges is necessary to reflect the Company's individual agreements with the respective Executive Board members. The chosen ranges ensure that the Supervisory Board can respond flexibly to organizational changes in the Executive Board and take account of changing market conditions. Through the system, the Supervisory Board aims to be able to offer Executive Board members competitive compensation in line with the market over the next four years.

The Supervisory Board agrees the relative proportions of financial and non-financial components in the Executive Board service contract with each Executive Board member individually, which is why their relative proportions for the assessment of the "total bonus" may also vary.

- Adjusted consolidated EBITDA as the sole financial component (i.e., use of adjusted key figures)

The Supervisory Board considers adjusted consolidated EBITDA to be a suitable reference point for measuring the financial component.

The adjusted key figures are determined on the basis of the IFRS consolidated financial statements of JOST Werke AG. In the view of the Supervisory Board, the use of an adjusted key figure is appropriate because JOST still reports high PPA amounts that are amortized over the useful life of the capitalized assets (non-cash) due to its private equity past. These amounts are adjusted by the Company. Certain non-recurring income or expenses are also adjusted after prior review by the auditor, provided this increases the transparency and comparability

of the figures. Capital market communications and the targets agreed with the Executive Board, as well as the internal management of the Company, are therefore based on adjusted key figures. The Supervisory Board considers it appropriate that the same indicators are used for the compensation of the Executive Board.

- Adjusted consolidated EBITDA both criterion in STI and LTI

In the opinion of the Supervisory Board, the development of adjusted EBITDA combined with the development of the Company's share price (which is decisive for the payment of the LTI component) represents a suitable financial indicator for promoting JOST's corporate growth in both the short and long term and thereby increasing the enterprise value.

In the opinion of the Supervisory Board, the factors relevant for the valuation of STI and LTI cannot be clearly distinguished. Adjusted consolidated EBITDA as an overall figure contains connecting factors for STI and LTI and is therefore to be used for both compensation components.

Non-financial ESG components complete the picture and are also included in the variable compensation as STI and LTI, so that the Executive Board has an additional incentive for a value-based approach when growing the Company.

- Deviations from GCGC unclear (2020 GCGC declaration does not refer to the new system).

JOST updated the Declaration of Compliance in accordance with Section 161 of the German Stock Corporation Act (AktG) on March 18, 2021 and published it on the company's website at <https://www.jost-world.com/en/corporate/investor-relations/corporate-governance.html#c4942> ("Declaration of Compliance" tab); please note that the update cannot be taken from the copy on the Corporate Governance Statement, as the Corporate Governance Statement only relates to the 2020 reporting year.

## **Re ITEM 6: Resolution on the confirmation of the remuneration of the members of the Supervisory Board**

Regarding this issue, the Executive Board and the Supervisory Board stated in the Declaration of Compliance of December 2, 2020 pursuant to Section 161 of the German Stock Corporation Act (AktG) the following:

*„JOST Werke AG has obtained D&O coverage for the members of the Supervisory Board without the deductible recommended by the GCGC 2017. The Executive Board takes the view that such a specified deductible is not in itself suitable to increase the performance and sense of responsibility of the members of the Supervisory Board. The recommendation of a deductible for Supervisory Board members is no longer included in the GCGC 2020“*

Moreover, a deductible for the Supervisory Board members would not result in any benefits for the Company: A deductible for the Supervisory Board members for the D&O insurance does not reduce the premium that JOST has to pay for the D&O insurance. This means that JOST's premium would remain the same even if the individual Supervisory Board members paid an additional premium to the insurance company. Since therefore the Company has no benefit whatsoever from the Supervisory Board's deductible, the Executive Board and Supervisory Board do not consider the deductible to be appropriate.