

Management Board report on agenda item 8 pursuant to Article 9 para. 1 c) ii) of the SE Regulation in conjunction with Section 71 para. 1 no. 8 sentence 5 and Section 186 para. 3 sentence (4) and para. 4 sentence 2 of the Stock Corporation Act (*Aktiengesetz, AktG*)¹

The Annual General Meeting held on 4 May 2018 adopted a resolution under agenda item 6 authorising the acquisition and use of treasury shares. No use has been made of this authorisation. The authorisation will exist until 3 May 2023; i.e., it will expire before the scheduled date of the 2023 ordinary Annual General Meeting. Therefore, upon termination of the existing authorisation adopted on 4 May 2018, in order to maintain flexibility regarding the acquisition and use of treasury shares, a new resolution shall be adopted authorising the acquisition and use of treasury shares pursuant to Section 71 para. 1 no. 8 AktG with the possibility of excluding subscription rights.

The Company does not hold any treasury shares at the time of convening.

The resolution proposed under agenda item 8 stipulates authorising the Company, under Section 71 para. 1 no. 8 AktG, to acquire treasury shares until 10 May 2026 equal to up to 10% of the share capital existing on the date of the resolution or on the date when the authorisation is exercised, whichever is lower. When aggregated with other treasury shares held by the Company or attributable to it under Section 71a et seqq. AktG, shares acquired under the proposed authorisation may not at any time exceed 10% of the share capital. The Company may not use the authorisation for the purpose of trading in its own shares. The proposed authorisation may be exercised either in full or in partial amounts, once or several times, to pursue one or several objectives, by the Company acting directly or likewise by companies that are dependent on the Company or in which the Company either directly or indirectly holds a majority interest, or by third parties mandated by the Company or by companies that are dependent on the Company or in which the Company either directly or indirectly holds a majority interest. The acquisition may, at the Management Board's discretion, take place (1) on the stock exchange or (2) by means of a public bid to all shareholders or by means of a public invitation to tender.

If, under the proposed authorisation, the acquisition of shares takes place on the stock exchange, the consideration paid by the Company for each Company share (excluding ancillary acquisition expenses) may not be more than 10% higher or more than 20% lower than the average closing price of a share on the XETRA trading system (or a comparable system replacing it) on the Frankfurt Stock Exchange for the last three days of trading before the obligatory acquisition date. The specific details of the acquisition shall be determined by the Company's Management Board.

If the acquisition takes place via a public bid from the Company or a public tender offer, the Company may either set a purchase price or a range of purchase prices at which it is prepared to acquire the shares. The authorisation stipulates certain guidelines for setting the purchase price or the range of purchase prices. The offered purchase price or the purchase price range

¹ This document represents the English translation of the German "Bericht des Vorstands zu Tagesordnungspunkt 8 gem. Art. 9 Abs. 1 lit. c) ii) SE-Verordnung i.V.m. § 71 Abs. 1 Nr. 8 Satz 5, § 186 Abs. 3 Satz 4, Abs. 4 Satz 2 AktG" which is the sole binding version.

limits per Company share (excluding ancillary acquisition expenses) may not be more than 10% higher or more than 20% lower than the average closing price on the XETRA trading system (or a comparable system replacing it) on the Frankfurt Stock Exchange for the last three days of trading before the date of publication of the bid or the public tender offer. The specific details of the bid or of the public tender offer to shareholders shall be determined by the Company's Management Board.

If there are substantial deviations from the purchase price offered or from the indicated range of purchase prices after a bid or the public tender offer is published, the bid or the tender offer may be adjusted. In this case, the proposed authorisation shall be based on the average price for the last three days of trading before publication of any adjustment. In addition to the possibility of adjusting the purchase price or the range of purchase prices, the bid or the tender offer may stipulate an acceptance period or offer period, as well as additional terms and conditions.

In the event of a public bid or a public tender offer, it is possible that the number of Company shares offered by the shareholders will exceed the number of shares demanded by the Company. In such a case, they may be allotted by quota in order to render settlement possible. Priority acceptance of smaller offers or smaller portions of offers up to a maximum of 100 shares may be stipulated in order to limit the administrative costs of processing such a public bid or such a public call for issuance of offers for sale, or to exclude fractions of shares. With this in mind, it should likewise be possible to stipulate rounding in accordance with customary business practice.

Under the proposed authorisation, the Management Board, with the Supervisory Board's approval, may sell acquired treasury shares on the stock exchange or by offering them to all shareholders in proportion to their equity interests. In addition, treasury shares acquired may be used for any and all other legally permitted purposes, including, in particular, for the following purposes:

Treasury shares acquired may also be sold to third parties outside of the stock exchange, for cash, with subscription rights being barred. It is in the Company's interest to do so, so that it may respond flexibly and be in a position to cover capital requirements on short notice. This will ensure that the Management Board is in a position to take advantage of opportunities offered by favourable stock exchange circumstances and able to obtain the highest possible resale price by setting a near-market price, thereby reinforcing the share capital to the greatest extent possible while tapping into new groups of investors. In the process, the acquired shares may be sold only at a price that is not materially lower than the stock exchange price for shares with the same features on the date of the sale. In particular, the authorisation makes it possible to place the shares faster and at a lower cost than through a sale, that grants subscription rights to shareholders. Accordingly, the shareholders' property interests and voting rights interests are reasonably protected in accordance with Section 186 para. 3 sentence 4 AktG. The final determination of the selling price for the treasury shares shall be made shortly before the sale. The Management Board shall make every effort – considering current market circumstances – to keep any market discount to a minimum. Interested shareholders can maintain their equity interest under essentially the same terms

and conditions through additional purchases on the market. This authorisation is further restricted to a maximum of 10% of the Company's share capital on the day on which the resolution is adopted by the Annual General Meeting or 10% of the Company's share capital on the day on which the Company's shares are sold – whichever is lower. Shares issued or used during the term of this authorisation through direct application of Section 186 para. 3 sentence 4 AktG, or *mutatis mutandis* (after any necessary changes have been made), e.g. utilising an authorisation to issue new shares from authorised capital, with subscription rights being barred, shall count against this limit of 10% of the share capital. Also to be counted against this limit to 10% of the share capital are shares that are being or will be issued to service bonds with option and/or conversion rights or option/conversion obligations, to the extent that the bonds are issued during the term of this authorisation subject to Section 186 para. 3 sentence 4 AktG, *mutatis mutandis*, with subscription rights being barred.

In addition, the proposed authorisation stipulates that the acquired shares shall also be used to meet obligations under bonds with conversion and/or option rights or conversion and/or option obligations that have been or will be issued by the Company and/or by companies that are dependent on the Company or in which the Company either directly or indirectly holds a majority interest. It may be expedient – rather than issuing new shares through a capital increase – to use treasury shares to satisfy the option and/or conversion rights or the option and/or conversion obligations in whole or in part, inasmuch as no new shares have to be created, unlike when conditional capital is used. When deciding whether treasury shares will be delivered or conditional capital will be used, the Management Board shall carefully weigh the interests of the Company and the shareholders.

It should also be possible to use acquired treasury shares together with share-based remuneration or employee share programs offered by the Company or affiliated companies. Further, it should be possible to issue such treasury shares to people who are or were employed by the Company or an affiliated company, as well as to board members of affiliated companies. Issuing treasury shares to employees, generally subject to a reasonable waiting period of several years, is in the interest of the Company and its shareholders, as this can promote employees' identification with their Company, thereby increasing the Company's value. Using available treasury shares as share-price-based and value-based components of remuneration, rather than a capital increase or a cash payment, can also make financial sense for the Company. When measuring the purchase price to be paid by employees, a reasonable reduction may be granted that is typical for employee shares and is based on the Company's performance. Shares may also be offered, committed and transferred to the aforementioned individuals free of charge in connection with relevant programs. Excluding shareholder subscription rights is required in order to achieve the above goals.

In addition, it must be possible to use treasury shares as a component of the variable remuneration paid to members of the Company's Management Board. Shareholder subscription rights are excluded in this respect, too.

Current Management Board contracts and the remuneration system for members of the Management Board adopted by the Annual General Meeting held on 6 May 2021 do not provide for any variable remuneration components that require transferring Company shares.

However, the Company should be given the opportunity to provide for such remuneration components in the future – above and beyond the share-based structure set forth in the LTI.

In line with its statutory duty under Section 87 AktG, the Supervisory Board in this regard ensures that overall remuneration (including components potentially granted in the form of shares) is reasonably proportional to Management Board members' assignments and performance, as well as the Company's situation, and that it does not exceed customary remuneration unless there are special reasons.

Finally, the proposed authorisation stipulates that the Management Board may exclude shareholder subscription rights when selling acquired treasury shares through an offer to the shareholders, with the Supervisory Board's approval, in favour of the holders or creditors of bonds with option and/or conversion rights or option and/or conversion obligations that are issued by the Company or by companies that are dependent on the Company or in which the Company either directly or indirectly holds a majority interest. This means that subscription rights to shares may be granted insofar as holders or creditors would be entitled to such rights after exercising the option and/or conversion rights or after satisfying the option and/or conversion obligations. This can prevent their value from being diluted or obviate the need for additional measures to be taken to protect the value from being diluted.

Finally, the authorisation to acquire and use treasury shares should include a mutual offset with a maximum limit of 10% relating to the exclusion of subscription rights. As a result, this authorisation is limited to the extent that, after exercising the authorisation, the total treasury shares sold while barring subscription rights may not exceed 10% of the Company's share capital on the day on which the authorisation goes into effect or 10% of the Company's share capital on the day when the authorisation is utilised – whichever is lower. Shares issued from authorised capital during the term of the above authorisation, with subscription rights being barred, shall count against this 10% limit; further, shares issued as a result of exercising option and/or conversion rights or option/conversion obligations attached to bonds shall count, to the extent the associated bonds are issued on the basis of another authorisation during the term of this authorisation, with subscription rights being barred. This requirement limits the total extent of any share issue lacking subscription rights, thereby further hedging shareholders against any excessive dilution of their equity interest.

Finally, the proposed authorisation stipulates that treasury shares may be retired without any additional resolution by the Annual General Meeting. Such an authorisation is also customary and reflects the market standard. It allows the Company to respond appropriately and with flexibility to any given situation on the capital markets. In this respect, the Management Board is authorised to adjust the Articles of Association to reflect the amended number of no-par-value shares. Pursuant to Section 237 para. 3 no. 3 AktG, the proposed authorisation further stipulates that the Management Board may retire the shares, even without a capital reduction. When shares are retired without a reduction in capital, the proportional amount of the no-par-value shares remaining in the Company's share capital increases. Here, too, the Management Board is authorised to adjust the number of shares indicated in the Articles of Association.

In each individual case, the Management Board shall carefully review whether it is going to utilise the authorisation to acquire treasury shares while excluding tender rights or to use treasury shares while excluding shareholder subscription rights. It will utilise this opportunity only if, in the estimation of the Management Board and the Supervisory Board, this is in the interest of the Company and thus of its shareholders and is proportional.

At the next Annual General Meeting, the Management Board shall report on every utilisation of the authorisation to acquire and to use treasury shares.

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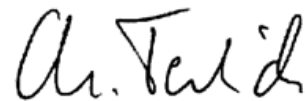
Neu-Isenburg, April 2023



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