

Declaration of Conformity with the German Corporate Governance Code

The management board and the supervisory board of Basler AG declare after due examination that in the elapsed fiscal year 2022, Basler AG complied with the recommendations of the German Corporate Governance Code pursuant to the version of April 28, 2022 (hereinafter called “code”) with the following exceptions:

B. COMPOSITION OF THE MANAGEMENT BOARD

B1

The management board of the company is currently fully staffed. An expansion of the board or a change is not planned for the time being. In the event of a change, the supervisory board has set a target of 20% female representation.

B.3

Mr. Alexander Temme was appointed to the management board as of January 1, 2021 – initially for four years until December 31, 2024. By this, the company ensures the contracts of the members of the management board to expire with a time lag so that at no time two personnel decisions have to be taken at the same time. In view of Mr. Temme’s moving up to the management board after a long time management position in the company associated with a great relationship of trust, the supervisory board considers this decision to be warranted. .

C. COMPOSITION OF THE SUPERVISORY BOARD

C.1, C.2

In its proposals to the general meeting, the supervisory board will continue to observe legal requirements and give priority to women in case of equal qualification. In doing so, the company’s international activities, potential conflicts of interest as well as diversity will be considered. The decision on the candidates which the supervisory board considers to be the most appropriate ones, is to be taken whenever a new election is scheduled. The supervisory board and the management board do not consider it as useful to be bound to preformulated abstract targets for selecting candidates instead of freely deciding on a person which is available and seems to be most suitable for the position. Therefore, the supervisory board does not give concrete targets according to point C.1 DCGK (Deutscher Corporate Governance Kodex, German Corporate Governance Code) nor does it set an age limit for members of the supervisory board according to point C.2 DCGK. Subsequently, such targets

will neither be taken into account for proposals to the responsible electoral bodies nor will be reported regarding their state of implementation

G. REMUNERATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

G.1

The remuneration system of Basler AG provides for financial performance criteria for the granting of variable remuneration components. Non-financial performance criteria are used in corporate management, but they are not used as a basis for determining the variable remuneration components

G.6, G7, G.10

The remuneration system of the management board is based on a „bonus bank system” which is set up as follows:

The total target achievement (-100 % to 400 %) is multiplied by a defined variable component of the target salary (25 % of the agreed target salary) and results in the amount in Euro for the bonus entitlement of the respective member of the management board for the elapsed fiscal year. Accordingly, the bonus entitlement can amount from -25 % (malus) to +75 % of the target salary. The bonus entitlement calculated in that way is not paid immediately. In order to satisfy the required long-term and multi-year assessment basis, the bonus amounts are paid out on a delayed basis by a bonus bank and are subject to the interim risk of a substantial reduction due to a subsequent deterioration in performance. A separate account is kept for the bonus claims of each member of the management board.

The bonus or malus calculated for the elapsed fiscal year is booked to the individual account. Allowing for the previous balance this results in a current account balance. If this account balance is positive one third will be paid out. Two thirds will be forwarded to a new account and be considered in the next year. Negative balances must be compensated by positive balances or bonus deposits before payouts can be made by the bonus bank.

In order to create a special performance incentive for the management board and to motivate its members to work in the long run on increasing the value of the company, the supervisory board decided to convert a part of the bonus into shares. Since 2018, an individually fixed

percentage part of the respective future claim for variable remuneration of above 100 % of target achievement will be granted in shares. In this case, the above described bonus bank procedure will also come into effect.

The total remuneration consists of the fixed salary (75 % of the target salary) and the payment made by the bonus bank.

If the targets agreed upon concerning profitability and growth are achieved on average over several years, the actual total remuneration will be in the amount of the target salary. If the targets are clearly missed for a long time, only the fixed salary will be paid out (75 % of the target salary) in the long term.

In case of significant overachievement of the profitability and the growth target over several years a gradually increasing total remuneration of a maximum of 175 % of the target salary will be paid out.

The supervisory board considers the remuneration system appropriate and long-term oriented. It also prevents conflicts of interest and misaligned incentives in the best possible way. A detailed description of the remuneration system can be found in the management report under point 10. In many aspects it is oriented at the DCGK (Deutscher Corporate Governance Kodex, German Corporate Governance Code), however, it slightly deviates from the recommendations of the Corporate Governance Code in points G.6, G.7, and G.10:

G.6 AND G.7

This recommendation is deliberately not complied with. Instead, a profound strategy process is conducted every year in which the supervisory board and the management board agree upon the medium and long-term company targets and derive hereof the short-term oriented targets for the variable remuneration.

G.10

The company considers a ratio of 50 % of the over-performance amount as a payout in shares to be appropriate. The transfer to the bonus bank as well as the payout are conducted analogously to the process for the variable remuneration in money. One third of the resulting annual balance is paid out and two thirds are carried forward.