

# CORPORATE GOVERNANCE REPORT

The Basler Group is a global organization with an international shareholder structure. The management board and the supervisory board attach particular emphasis on responsible and transparent management and control of the company that is oriented to sustainable value increase. A meaningful and transparent company communication, the respect for shareholders' interest, a forward-looking approach to changes and risks, as well as an efficient and responsible cooperation between the management board and the supervisory board are major aspects of good corporate governance. The latter promotes the trust of the shareholders, business partners and employees. At the same time, these principles are important orientation standards for managing and controlling the group.

The corporate governance report pursuant to § 289f and § 315d HGB (German Commercial Code) is part of the combined management report. Pursuant to § 317 (2) sentence 6 HGB, the auditor's examination of the disclosures pursuant to § 289f and § 315d HGB is to be limited to whether the disclosures have been made. As part of the corporate governance report, the management board and supervisory board also report on the corporate governance of the company.

## **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 2023, 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. 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 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, are to be taken whenever a new election is scheduled. The supervisory board and the management board do not consider it 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 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, total compensation will gradually increase to a maximum of 175% of target salary.

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 variable component exceeding the target (over-performance) 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.

#### **COMPANY WEBSITE**

The declaration of conformity pursuant to § 161 of the German Stock Corporation Act (AktG) is available on the internet at

[www.baslerweb.com/en/company/investors/corporate-governance/](http://www.baslerweb.com/en/company/investors/corporate-governance/).

The declarations of conformity and the corporate governance reports for previous years can also be viewed there.

### **RELEVANT DISCLOSURES REGARDING CORPORATE GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENTS AND WHERE THEY ARE MADE AVAILABLE TO THE PUBLIC**

The Basler Group is to be perceived as a responsible globally acting company with high ethical and legal standards.

The joint basis for acting is the culture of the Basler Group. It is reflected in the fair and respectful treatment of colleagues towards each other and towards third parties and is further characterized by the willingness to deliver results, open communication, integrity, trustworthiness and the conservation of natural resources.

These principles are summarized in the “Code of Conduct” as well as in the sustainability strategy of the Basler Group. This code of conduct is binding for all employees regardless of their function or position within the group. A constant reflection of these values and their incorporation into our daily activities represents a clear commitment to the company’s culture and ensures its long-term business success. The “Code of Conduct” can be found on the company’s website:

[www.baslerweb.com/en/company/investors/sustainability/](http://www.baslerweb.com/en/company/investors/sustainability/)

Further information on corporate management is provided in the group management report under 1.2 Management System.

## **COMPLIANCE AS WELL AS OPPORTUNITIES AND RISKS REPORT**

The principles of responsible corporate governance include a continuous and responsible balancing of opportunities and risks. The aim of opportunities and risks management is to develop a strategy and set up targets that create an even balance between growth and profitability targets on the one hand and the risks linked herewith on the other hand. Details of the opportunities and risks management system of the Basler Group can be found in the group management report under 5. Opportunities and Risks Report.

The close interlinking of the internal control system, risk management system and compliance system is to ensure the highest possible degree of effectiveness with regard to the avoidance and management of risks. Key features of our risk management and internal control system can be found in sections 6 and 7 of the management report.

## **COMPLIANCE**

The compliance of business activities with all relevant laws and standards as well as within the company's internal principles is a basic prerequisite for sustainable successful business. Thus, the Basler Group's success is not only based on good business policies, but also on an economically ethical integrity, trust and the open and fair treatment of employees, customers, business partners, shareholders and other stakeholders.

## **COMPLIANCE-CULTURE AND TARGETS**

Compliance has always been a major part in risk prevention and company culture of the Basler Group. The aim is to always act in compliance with all relevant laws, norms, international standards and internal guidelines. The Basler Group pursues a preventive compliance approach and strives for a corporate culture that raises awareness and educates the employees in order to prevent potential violation of the rules. By doing so, the management board and the managers bear a special responsibility. Within their area of responsibility, they are role models and urged to ensure observation of the compliance requirements, to clearly communicate the expectations to all employees and to consistently set an example of compliant and ethical behavior.

## **COMPLIANCE-ORGANIZATION**

The compliance activities are closely linked with the risk management and the internal control system. The legal department controls the compliance activities within the group by creating appropriate structures and processes as well as by giving support for an efficient implementation of compliance measures. In addition, the legal department is available as a contact for individual questions from the organization.

## **COMPLIANCE-PROGRAM AND COMMUNICATION**

The compliance structures and measures to ensure the observation of laws, guidelines, and ethical principles are consequently aligned to the risk situation of the group and continuously developed further. The compliance activities' starting point for all employees is the binding code of conduct of the group. In addition to the company website, employees can access the code of conduct and further company guidelines via the group's intranet platform.

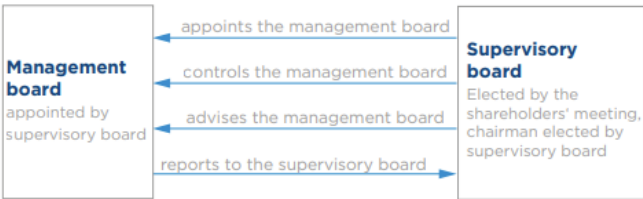
## COMPLIANCE-REPORTING CHANNELS, REVIEWS AND FURTHER DEVELOPMENT

Reliable reporting channels and the protection of internal whistleblowers from sanctions are major elements for the identification of compliance risks. In addition to direct contact with their supervisors, employees of the Basler Group can also report possible violations of laws or policies via a whistleblowing system set up for this purpose without disclosing their identity. All reported cases and violations are timely investigated and evaluated; if necessary, appropriate measures and sanctions are taken. The management board and the supervisory board are regularly informed about facts relevant for compliance as well as about the expansion of the compliance structures and planned compliance measures.

With the integrated governance, risk, and compliance approach, the management board has created and implemented a control framework for Basler that aims at an adequate and effective internal control and risk management. The measures implemented within the framework of this approach aim at the effectiveness and adequacy of the internal control and risk management and are explained in more detail in the opportunity and risk report. Independent monitoring and audits, in particular in the form of internal audits and their reporting to the management board and the audit committee of the supervisory board, as well as other external audits, are essential in this respect. Based on its involvement with the internal control and risk management system and the reports from the internal audits, the management board is not aware of any circumstances that would question the appropriateness and effectiveness of these systems.

## DESCRIPTION OF METHOD OF WORK OF MANAGEMENT BOARD AND SUPERVISORY BOARD

Basler AG is a German stock corporation acting in line with the dual management and control structure of the two organs: management board and supervisory board.



## MANAGEMENT BOARD Composition

Pursuant to § 7 of the Articles of Association the management board consists of at least two members. The members of the management board are appointed by the supervisory board. Together with the management board it ensures long-term succession planning. The age limit for management board members is 70 years. A minimum age does not exist.



The members of the management board do not hold any other mandates in other statutory supervisory boards or comparable domestic or foreign supervisory bodies.

### **Method of Work**

The supervisory board has issued rules of procedure for the management board that govern both the cooperation within the management board and the cooperation between the management board and the supervisory board. In line with the interests of the company, the management board performs its management duties aiming for a sustainable increase in the value of the company.

The management board bears overall responsibility for the management of the Basler Group. The management board decides jointly on all matters that are of particular importance and scope for the company or its subsidiaries. The management board is responsible for the preparation of the quarterly statements, the half-year financial report as well as for the preparation of the annual and consolidated financial statements and the combined management report of the Basler Group. The management board reports to the supervisory board regularly, promptly and comprehensively in written and verbal form on all relevant issues relating to business development, corporate planning, strategic alignment, opportunity and risk management, and compliance.

The supervisory board is involved in a timely manner in all decisions that may have a significant impact on the net assets, financial position and results of operations of the company and is kept fully informed by the management board. In the case of acquisition projects, the management board provides detailed information on the progress and status of the project at an early stage and coordinates the acquisition and integration process closely with the supervisory board.

## **SUPERVISORY BOARD**

### **Composition**

Compared to the previous year, the composition of the supervisory board changed in fiscal year 2023. Since the election at the annual general meeting on May 26, 2023, the supervisory board consists of the following six members:

Norbert Basler, Chairman of the supervisory board

Horst W. Garbrecht, Member of the supervisory board

Prof. Dr. Mirja Steinkamp, Member of the supervisory board

Lennart Schulenburg, Member of the supervisory board

Tanja Schley, Employee representative in the supervisory board

Alexander Jürn, Employee representative in the supervisory board

The members of the supervisory board are elected by the annual general meeting or by the employees. The chairman or chairwoman of the supervisory board is elected by the supervisory board from among its members. He or she coordinates the work of the supervisory board and represents the interests of the supervisory board externally.

Information on other mandates held by members of the supervisory board can be found in the notes to the consolidated financial statements. The compensation of the members of the supervisory board is commented on in the group's remuneration report. From April 4, 2024, on, this report is open to the public and subject to approval by the annual general meeting on May 13, 2024, under <https://www.baslerweb.com/de/unternehmen/investoren/corporate-governance/>.

### **General Requirements / Competence Profile**

In line with the German Corporate Governance Code, the supervisory board agreed upon concrete targets for its composition and resolved on a competence profile for the supervisory board of the Basler Group. Accordingly, each member of the supervisory board must fulfill the legal and statutory requirements for membership of the supervisory board (§ 100 (1) to (4) AktG). Each member of the supervisory board must have the knowledge and skills required to properly perform the duties incumbent upon him or her by law and under the Articles of Association. The members of the supervisory board as a whole must be familiar with the sector in which the company operates (§ 100 (5) AktG). Each member of the supervisory board must be sufficiently available and willing to devote the necessary time and attention to the office. In addition to these general requirements, the entire body should meet the following requirements in particular:

1. Each member should have a general understanding of the Basler Groups' business, in particular the global market environment, individual business areas, customer needs, the regions in which the company operates and the strategic alignment of the company.
2. At least one member should have expertise in the fields of accounting or auditing.
3. At least one member should have expertise in sustainability issues that are significant to the company.
4. One or more members should particularly fulfill the criterion of international exposure or have acquired operational experience in internationally active companies.
5. One or more members should have expertise in the field of business administration.

6. The full board should include one or more members with experience in governance, compliance and risk management.
7. All members should have operational experience in personnel management.

**Qualification Matrix of the Supervisory Board:**

		<b>Basler</b>	<b>Garbrecht</b>	<b>Steinkamp</b>	<b>Schulenburg</b>
<b>Membership:</b>	Member since:	GER 2002	GER 2015	GER 2017	GER 2022
	Elected until:	2024	2027	2026	2025
<b>Diversity</b>	Gender:	M	M	W	M
	Year of Birth:	1963	1965	1970	1989
<b>Competencies</b>	Financial Expert, Supervisory Board/Control	✓	✓	✓	✓
	Strategy, Sales / Marketing	✓	✓	✓	✓
	Technology / Innovation, Operational Excellence, Industry	✓	✓		✓
	Digital Competence	✓	✓	✓	✓
<b>Experiences</b>	Supervisory Board, Business Management, Internationality, Corporate Governance System, Sustainability	✓	✓	✓	✓
	Capital Market	✓	✓	✓	
	Organizational Development, Personnel and Compensation Issues, Business Model, Restructuring	✓	✓	✓	✓
	Image Processing Industry, Target Industries, Research and Development	✓	✓		✓
	M&A, Disruption / Transformation, Growth Management, IT as Value Driver	✓	✓	✓	✓

The supervisory board of the company currently considers the aforementioned objectives for the composition of the supervisory board to have been met.

The proposals to the annual general meeting for the election of supervisory board members are based on the competence profile of the supervisory board and the objectives for the composition of the entire body. Against this background, the supervisory board has not currently set an age limit for supervisory board members.



The length of service of the individual supervisory board members can be viewed on the following website:

<https://www.baslerweb.com/de/unternehmen/management/aufsichtsrat/>

The individual supervisory board mandates of the supervisory board members are listed in the Notes to the Annual Report. The shareholdings of the members of the management board and the supervisory board are listed in the share report of the Annual Report.

### **Independence of Members of the Supervisory Board**

The shareholder representatives in the supervisory board have determined what they consider to be an appropriate number of independent shareholder representatives in the supervisory board, taking into account the ownership structure of the company. The supervisory board in its current composition complies with this determination. The number and names of the shareholder representatives are shown in the table below:

<https://www.baslerweb.com/de/unternehmen/investoren/corporate-governance/aufsichtsrat/>.

The supervisory board essentially bases its assessments of independence on the indicators mentioned in the current version of the Corporate Governance Code dated April 28, 2022. More detailed explanations are required for the classification of the chairman of the supervisory board Norbert Basler as „independent“ of the company and its management board. Norbert Basler is considered independent by the other shareholder representatives on the supervisory board despite his twenty-three-year membership of the company's supervisory board and his (indirect) shareholder position. In his activities as a member of the supervisory board, he has never given cause to doubt that he always performed his duties on the supervisory board in a dutiful and proper manner. The other shareholder representatives on the supervisory board are therefore convinced of his independence. There were and are no significant business relationships between Norbert Basler and the company or any of its dependent companies. Neither is Norbert Basler a close family member of a member of the Basler AG's management board.

### **Method of Work**

The supervisory board assists the management board in an advisory capacity, monitors the management board in its management of the company, and reviews all significant business transactions by inspecting the relevant documents on the basis of the German Stock Corporation Act, the company's Articles of Association, and the rules of procedure for the supervisory board and management board. The supervisory board is also informed by the management board about business developments outside the regular supervisory board meetings. In this way, it can accompany the operating business with advice and recommendations on an appropriate basis.

The supervisory board supplements the management board's rules of procedures by determining a catalogue of transactions requiring consent. The supervisory board acts on the basis of own rules of procedures shown under [www.baslerweb.com/CorporateGovernance](http://www.baslerweb.com/CorporateGovernance). Furthermore, the supervisory board adopts the annual financial statements and approves the consolidated financial statements. Each year, the chairman of the supervisory board explains the activities of the supervisory board in his report to the shareholders as part of the annual report. He is also available to answer questions at the annual general meeting. Additional information on the management board and supervisory board, in particular on their working

methods and the mandates held by their members, can be found in the report of the supervisory board, the notes to the consolidated financial statements and the management report.

Together with the management board, the supervisory board also ensures long-term succession planning. For doing so, the supervisory board regularly exchanges views with the management board. Together, the management board and supervisory board evaluate the suitability of potential successor candidates and discuss how suitable internal candidates can be developed further. The supervisory board also reviews on an ongoing basis whether the composition of the management board continues to be optimal. To this end, the chairman of the supervisory board discusses with the management board in particular what knowledge, experience and professional and personal competencies should be available on the management board, also with a view to the strategic development of the company, and to what extent the management board is already composed in accordance with these requirements.

### **Committees of the Supervisory Board**

The rules of procedure of the supervisory board provide for the formation of two committees working in accordance with the contents of the rules of procedure of the supervisory board:

**The Audit Committee** prepares negotiations and resolutions of the supervisory board regarding the following:

- accounting and reporting in accordance with HGB (German Commercial Code), IFRS and ESRS
- the adequacy and effectiveness of corporate governance systems, such as the internal control system, the risk management system (including the risk early warning system), the compliance management system and the internal audit system
- the auditing of the sustainability reporting
- the reviewing of the proposed dividend
- the selection of the auditor and the audit of the auditor's independence
- the issuing of the audit mandate to the auditor
- the determining additional key audit matters related to auditing the annual and consolidated financial statements
- the assessment of the quality of the audit by the auditor

The chairwoman of the audit committee is independent. The chairman of the supervisory board is a member, but not chairman, of the audit committee.

### **Composition of the Audit Committee:**

Prof. Dr. Mirja Steinkamp is a tax consultant, certified public accountant and professor of auditing and corporate accounting at HAW (Hamburg University of Applied Sciences). She worked for several years as an audit manager at the international auditing firm Ernst & Young GmbH and then spent 14 years as an authorized signatory and manager at a global trading company. Since 2022, she has been a lecturer at Interfin Forum GmbH, which offers

the courses "Qualified Supervisory Board" and "Specialist Supervisory Board in the Audit Committee/Financial Expert".

Mirja Steinkamp has many years of experience as chairwoman of audit committees and as deputy chairwoman of supervisory boards of listed and non-listed companies. As an auditor, tax advisor and audit committee chairwoman, she has particular knowledge and experience in the application of accounting principles according to the German Commercial Code (HGB), the German Income Tax Act (EStG) and IFRS, the auditing of internal control and risk management systems (including compliance management systems), the internal audit system and the auditing of sustainability reporting. Since 2018, Mirja Steinkamp has been certified by Deutsche Börse AG as a "Qualified Supervisory Board Member and Specialist Supervisory Board Member in the Audit Committee/Financial Expert" and since 2023 as a Specialist Supervisory Board Member Interfin Forum - Sustainability / ESG, and is also certified by TÜVNORD as a Sustainability Manager since 2023.

Norbert Basler, member of the audit committee with knowledge of internal control and risk management systems as well as knowledge of sustainability reporting and auditing.

Lennart Schulenburg, member of the audit committee with expertise in the field of accounting, knowledge and experience in the application of accounting principles, and knowledge in the field of sustainability reporting and its audit.

**The Nomination Committee** seeks suitable candidates for the supervisory board, whom it recommends to the supervisory board for its election proposal to the annual general meeting. It is composed exclusively of shareholder representatives.

#### **Composition of the Nomination Committee:**

Norbert Basler, Chairman of the Nomination Committee

Horst W. Garbrecht, Member of the Nomination Committee

Prof. Dr. Mirja Steinkamp, Member of the Nomination Committee

#### **Self-assessment of the Supervisory Board work**

The supervisory board regularly assesses the effectiveness of the performance of its duties as entire body and in its committees. The assessment is based on a catalogue of criteria developed by the supervisory board.

#### **Remuneration of the Management Board and the Supervisory Board**

In accordance with the recommendations of the German Governance Code, Basler has been reporting the remuneration of all members of the management board and supervisory board on an individualized basis for some time. The remuneration of the management board includes various components. On the basis of the contracts concluded with them, the members of the management board are entitled to a fixed and an annual variable remuneration as well as fringe benefits. Part of the variable remuneration is paid in shares. The structure of the remuneration system for the management board and the appropriateness of the remuneration are regularly reviewed and determined by the supervisory board.

In line with customary market practice, the company grants all members of the management board additional benefits fixed in their management board contracts, some of which are

regarded as non-cash benefits and taxed accordingly, in particular the use of a company car and the granting of accidental insurance coverage. As a rule, sideline activities are subject to approval.

Basler AG commissioned a study on the remuneration of the management board and supervisory board in fiscal year 2022. This confirms the appropriateness of the system and the level of compensation compared to listed peer companies with a similar number of employees and similar sales not belonging to any indices. Comparable companies in the SDAX with a similar number of employees, sales or comparable market capitalization tend to compensate the management board members more than Basler AG. The study also provides suggestions for the further development of the remuneration system. The remuneration system is essentially unchanged.

According to the recommendations of the German Corporate Governance Code, the members of the supervisory board receive a fixed remuneration. Since the beginning of fiscal year 2022, each member of the supervisory board shall additionally receive an attendance fee of €1,000.00 (one thousand euros) per meeting for participating in a meeting of the supervisory board or a committee (in each case lasting at least 2 hours or more) - whether physically, by telephone or by other means, but not for mere participation in the passing of resolutions.

The remuneration report 2023 for the management board and the supervisory board, the applicable remuneration system pursuant to § 87 a Sec 1 and 2, sent. 2 Aktiengesetz (Stock Corporation Act) as well as the auditor's report pursuant to § 162 Aktiengesetz (Stock Corporation Act) are open to the public with reservation from April 4, 2024 on until approval of the annual general meeting on May 13, 2024, under:

[www.baslerweb.com/en/company/investors/corporate-governance/](http://www.baslerweb.com/en/company/investors/corporate-governance/).

In line with the legal changes introduced by the Act Implementing the Second Shareholders' Rights Directive (ARUG II), which came into force on January 1, 2020, the supervisory board has further developed the existing management board remuneration system. The existing system, which was approved by the annual general meeting in May 2021, also essentially complies with the recommendations of the German Corporate Governance Code (GCGC) in the version of April 28, 2022.

#### **TARGET RATE FOR PROPORTIONS OF WOMEN, §§ 76 PARA. 4, 111 PARA. 5 AKTG (STOCK CORPORATION ACT) AND DIVERSITY CONCEPT**

Pursuant to Section 111 (5) AktG, the supervisory board must set targets for the female quota in the supervisory board and the management board.

To date, there is no written diversity concept for the supervisory board and the management board. The management board is made up of experienced managers who all worked in different areas of the company for a number of years before becoming members of the management board, have the corresponding experience, professional backgrounds and areas of focus complementing each other very well. The individual professional CVs can be found at

<https://www.baslerweb.com/de/unternehmen/management/vorstand/>.

Against this background, the management board of the company is currently fully staffed. In the event of a change, the supervisory board has set a target of 25 % female representation within the next 4 – 5 years.

The supervisory board has decided that, until further notice, an increase of the female quota in the supervisory board would be desirable but need not be achieved. Two positions on the supervisory board are currently held by women. The female quota in the supervisory board is 33 %.

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. The decision on the candidates which the supervisory board considers to be the most appropriate is to be taken whenever a new election is scheduled. The supervisory board and the management board do not consider it useful to be bound to pre-formulated abstract targets for selecting candidates instead of freely deciding on a person which is available and seems to be most suitable for the position.

In January 2022, the supervisory board and the management board decided that a female quota of 30 % of senior executives and department heads should be achieved or maintained in the group by the end of 2025.

The first level of management beneath the management board is the divisional management and below it the department management follows. On December 31, 2023, 8.33 % (2022: 28.6 %) of the Basler group divisional managers and 19.54 % (2022: 27.5 %) of its department managers were female.

The targets for promoting the participation of women in management positions have not yet been met at the end of the reporting period. This is due to the M&A transactions of smaller companies which had mostly males in management positions in the past four years. The possibilities in the context of organic growth over the short period of time were not sufficient to compensate for this effect. In addition, only a few new hires were made in 2023.

## **FURTHER DISCLOSURES ON CORPORATE GOVERNANCE**

### **Accounting and Auditing**

Basler AG prepares its consolidated financial statements and consolidated interim reports in accordance with the International Financial Reporting Standard (IFRS). Basler AG's annual financial statements (separate financial statements) are prepared in accordance with the provisions of the German Commercial Code (HGB). The consolidated financial statements are prepared by the management board, audited by the auditor and approved by the supervisory board. BDO AG Wirtschaftsprüfungsgesellschaft was elected by the annual general meeting as auditor/consolidated financial statements auditor for the fiscal year 2023. BDO took part in the supervisory board's discussions on the annual financial statements and consolidated financial statements on March 27, 2024, and reported on the results of this audit. In addition, the auditors were available to the supervisory board to provide additional information and answer questions on the audit.

### **Transparency and Communication**

Basler attaches great importance to open and trusting communication with shareholders and other stakeholders and maintains a fair, timely and reliable dialog. All information relevant to the capital market is published simultaneously in German and English and made available on

the Company's website. This includes annual and quarterly reports, corporate news and insider information, information on the Annual General Meeting and company presentations. The financial calendar with the relevant publication and event dates can also be found there.

**Shareholders and Annual General Meeting**

At the annual general meeting, shareholders can exercise their rights and cast their votes. The management board presents the consolidated and annual financial statements, explains the company's prospects and, together with the supervisory board, answers shareholders questions. In accordance with the provisions of stock corporation law, the invitation to the annual general meeting and the associated documents and information will be made available on the website of Basler AG or displayed for inspection at the company's offices on the day the meeting is convened. In exercising voting rights, Basler supports its shareholders by appointing proxies who vote in accordance with the shareholders' instructions.

**Directors' Dealings, Voting Rights and Stock Option Plan**

Basler AG provides information on trading in shares of the company by members of the management board and supervisory board (directors' dealings) in accordance with Art. 19 MAR, as well as on reported changes in shareholdings if the voting rights thresholds defined in the German Securities Trading Act are reached, exceeded or fallen below. Information on the shareholdings of the management board and the supervisory board can be found in the notes. The Basler Group currently has no stock option plan.

Ahrensburg, March 27, 2024

Dr. Dietmar Ley	Hardy Mehl	Alexander Temme
CEO	CFO/COO	CCO

Norbert Basler Founder & Chairman of the Supervisory Board	Horst W. Garbrecht Vice Chairman of the Supervisory Board	Prof. Dr. Mirja Steinkamp Supervisory Board
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Lennart Schulenburg Supervisory Board	Alexander Jörn Supervisory Board	Tanja Schley Supervisory Board
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