

CORPORATE GOVERNANCE

1. COMMITMENT TO THE AUSTRIAN CORPORATE GOVERNANCE CODE

The key elements in an active corporate governance culture consist of a high degree of transparency for all stakeholders and a long-term and sustainable increase in corporate value. Their realisation necessitates efficient teamwork between the company's governing bodies, the protection of shareholders' interests and open corporate communications.

Since its IPO, POLYTEC Holding AG has committed itself to compliance with the Austrian Corporate Governance Code in its respective current form. The information and statements provided in this report pursuant to § 243c and 267b of the Austrian Commercial Code (UGB) are based on this edition. The complete text of the Austrian Commercial Code can be accessed from the website of the Austrian Working Committee for Corporate Governance www.corporate-governance.at.

During the 2023 financial year, POLYTEC Holding AG complied with all the compulsory L-Rules ("Legal Requirements") and all the C-Rules ("Comply or Explain") contained in the Austrian Corporate Governance Code with the exception of the C-Rules 53, 54, 62 and 83. In accordance with the guidelines for the classification of the independence of the Supervisory Board set out in Appendix 1 of the Code, four members of the Supervisory Board declared that they were not independent. Of these, three members did so owing to the length of their Board membership. In this sense, contrary to C-Rule 53 the majority of the members of the Supervisory Board elected by the Annual General Meeting are not independent. Moreover, due to the aforementioned change, the criteria of C-Rule 54 ceased to be fulfilled in the 2023 financial year, as the Supervisory Board no longer includes two independent members, who in addition do not hold more than a 10% interest in the company. According to C-Rule 62, the company should allow the regular evaluation of adherence to the C-Rules of the code by an external institution at least every three years and to date this has

not taken place. In addition, C-Rule 83 states that on the basis of the documentation presented, the auditor should adjudge risk management functionality and report its findings to the Board of Directors. The company justifies the failure to implement these two rules with the related high costs but is nonetheless convinced that adherence to the C-Rules and the required transparency are secured through internal audits and measures. The Corporate Governance Report for the 2023 financial year is publicly available via the POLYTEC Holding AG's corporate website www.polytec-group.com, which is entered in the Austrian Company Register.

2. POLYTEC HOLDING AG GOVERNING BODIES

BOARD OF DIRECTORS

ORGANISATION AND WORKING METHODS

In accordance with the Articles of Association, the Board of Directors of POLYTEC Holding AG consists of one, two, three, four or five members. The Supervisory Board appoints the members of the Board of Directors. The Board of Directors manages the company in accordance with the relevant laws, the Articles of Association and the internal rules of procedure, which are subject to Supervisory Board approval. In addition to other items, the internal rules of procedure regulate the collaboration and distribution of responsibilities amongst the members of the Board of Directors, as well as business transactions requiring approval. The distribution of competences amongst the Board members is specified in the descriptions of their individual functions.

The members of the Board of Directors are in constant, close contact with each other in order to exchange information, adjudge corporate progress and take any necessary decisions in a timely manner. As a rule, the POLYTEC Holding AG Board of Directors holds meetings every two weeks in order to discuss current POLYTEC GROUP development. At least once a quarter, the Board of

Directors provides the Supervisory Board with regular, comprehensive and prompt assessments of the course of business that incorporate the risk situation, risk management and the status of the company within the context of future group development. The Chairman of the Supervisory Board is informed immediately of significant events and is in regular contact with the Chairman of the Board of Directors. Ongoing discussions are also held regarding strategy, business trends and company risk management. When developing and implementing corporate strategy, the Board of Directors takes into account sustainability aspects and the associated opportunities and risks in relation to the environment, social issues and corporate governance.

All of the serving members of the Board of Directors in the 2022 financial year were granted a discharge with the required majority at the 23rd Annual General Meeting held on 9 June 2023.

CHANGES TO THE POLYTEC HOLDING AG BOARD OF DIRECTORS

At its extraordinary meeting on 17 July 2023, the Supervisory Board of POLYTEC Holding AG passed resolutions on changes to the Board of Directors. Heiko Gabbert, previously COO, has been dismissed from the Board with effect from 17 July 2023. He joined the company in 2005 and was appointed as a member of the Board in 2018. In numerous functions, he has made a significant contribution to the success of the POLYTEC GROUP and helped shape the company. Markus Mühlböck has been appointed Chief Financial Officer. He has been with the company since 2016 and most recently held operational responsibility for finance as Senior Vice President Finance under CEO Markus Huemer. With the handover of the financial agendas to Markus Mühlböck, Markus Huemer, previously CEO/CFO, has taken over the area of responsibility for Operations and Sustainability. Before taking over as CEO, he was responsible for COO agendas between 2014 and 2018. In addition, Peter Bernscher, CCO, was appointed Deputy Chairman of the Board of Directors on 17 July 2023.

MEMBERS OF THE POLYTEC HOLDING AG BOARD OF DIRECTORS

Markus Huemer (CEO/COO)



- Born: 1981
- Chairman of the Board of Directors
- Date of initial appointment: 1 January 2014
- End of current term of office: 31 December 2026
- Areas of responsibility: corporate strategy, investment management, legal affairs, IT, corporate communications, operations, sustainability, project management, operational excellence
- Supervisory Board mandates: GlobeAir AG

Peter Bernscher (CCO)



- Born: 1968
- Deputy Chairman of the Board of Directors
- Date of initial appointment: 1 August 2018
- End of current term of office: 31 December 2026
- Areas of responsibility: sales, engineering, marketing, purchasing, human resources
- Supervisory Board mandates: none

Markus Mühlböck (CFO)



- Born: 1986
- Member of the Board of Directors
- Date of initial appointment: 17 July 2023
- End of current term of office: 31 December 2026
- Areas of responsibility: finance, controlling, treasury, accounting, investor relations
- Supervisory Board mandates: none

SUPERVISORY BOARD






ORGANISATION AND WORKING METHODS

The Supervisory Board advises the Board of Directors with regard to its strategic planning and projects. It has the task of monitoring the Board of Directors’ management of the company. The laws and regulations that apply to listed companies in Austria and in particular, the Austrian Stock Corporation Act and the Austrian Stock Exchange Act, govern the Supervisory Board’s scope of activities. In addition, the Supervisory Board is obliged to comply with the rules of the Austrian Corporate Governance Code. As far as internal company regulations are concerned, the Articles of Association and the rules of internal procedure

are of primary importance. In accordance with the POLYTEC Holding AG Articles of Association, the Supervisory Board consists of at least three and no more than six members, elected by the Annual General Meeting. The members of the Supervisory Board are obliged to conduct an annual self-assessment of their activities.

All five serving members of the Supervisory Board in the 2022 financial year were granted a discharge with the required majority at the 23rd Annual General Meeting on 9 June 2023.

MEMBERS OF THE POLYTEC HOLDING AG SUPERVISORY BOARD

<p>Friedrich Huemer</p>  <ul style="list-style-type: none"> • Born: 1957 • Chairman of the Supervisory Board • Year of initial appointment: 2021 • End of current term of office: Annual General Meeting regarding the 2024 financial year • Other Supervisory Board mandates: none • Not independent 	<p>Fred Duswald</p>  <ul style="list-style-type: none"> • Born: 1967 • Deputy Chairman of the Supervisory Board • Year of initial appointment: 2006 • End of current term of office: Annual General Meeting regarding the 2024 financial year • Other Supervisory Board mandates: none • Not independent 	<p>Manfred Trauth</p>  <ul style="list-style-type: none"> • Born: 1948 • Member of the Supervisory Board • Year of initial appointment: 2007 • End of current term of office: Annual General Meeting regarding the 2024 financial year • Other Supervisory Board mandates: none • Not independent 	<p>Viktoria Kickingner</p>  <ul style="list-style-type: none"> • Born: 1952 • Member of the Supervisory Board • Year of initial appointment: 2006 • End of current term of office: Annual General Meeting regarding the 2024 financial year • Other Supervisory Board mandates: none • Not independent 	<p>Reinhard Schwendtbauer</p>  <ul style="list-style-type: none"> • Born: 1972 • Member of the Supervisory Board • Year of initial appointment: 2010 • End of current term of office: Annual General Meeting regarding the 2024 financial year • Other Supervisory Board mandates: none • Independent
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INDEPENDENCE OF THE SUPERVISORY BOARD

Members of the Supervisory Board are deemed to be independent if they have no business or personal relationships with the company or its Board of Directors that could result in a material conflict of interest and thus influence the members' conduct. Pursuant to C-Rule 53, the majority of the members of the Supervisory Board elected by the Annual General Meeting must be independent.

In assessing the independence of a member of the Supervisory Board, the Supervisory Board is guided by the following guidelines, which correspond to those contained in the Annex to the Austrian Corporate Governance Code in the version of January 2023:

- The Supervisory Board member shall not have been a member of the Board of Directors or a senior executive of the company or a company subsidiary in the past five years.
- The Supervisory Board member shall not maintain or have maintained in the past year any business relations with the company or a subsidiary of the company to an extent that is significant for the Supervisory Board member. This shall also apply to business relationships with companies in which the Supervisory Board member has a significant economic interest, but not to the exercise of board functions within the group. The approval of individual transactions by the Supervisory Board pursuant to L-Rule 48 does not automatically lead to qualification as not independent.
- The Supervisory Board member shall not have been an auditor of the company, or a participant in, or employee of, the auditing company in the last three years.
- The Supervisory Board member shall not be a member of the management board of another company in which a member of the Board of Directors of the company is a supervisory board member.
- The Supervisory Board member shall not be a member of the Supervisory Board for longer than 15 years. This shall not apply to Supervisory Board members who are shareholders with an entrepreneurial interest or represent the interests of such a shareholder.
- The Supervisory Board member shall not be a close relative (direct offspring, spouse, partner, parent, uncle, aunt, sibling, niece, nephew) of a member of the Board of Directors, or of persons who hold one of the positions described above.

The members of the Supervisory Board are committed to the criteria of independence according to C-Rule 53. The Chairman of the Supervisory Board declares himself to be not independent due to his function as the Chairman of the Board of Directors of POLYTEC Holding AG until 31 December 2018 and his relationship to the Chairman of the company's Board of Directors. Fred Duswald, Manfred Trauth and Viktoria Kickinginger also declare themselves to be not independent owing to the duration of their Supervisory Board membership. Accordingly, the criteria of C-Rule 54 are no longer fulfilled in the 2023 finance year, as only Reinhard Schwendtbauer, who is not a shareholder of the company with an interest of more than 10%, is appointed as an independent member. However, owing to the high level of expertise of the Supervisory Board members, the principles of good corporate governance are not impaired.

BUSINESS TRANSACTIONS OF THE SUPERVISORY BOARD MEMBERS REQUIRING PRIOR APPROVAL

In the 2023 financial year, no members of the Supervisory Board concluded transactions subject to approval pursuant to L-Rule 48. The lease of office space in Hörsching by Huemer Invest GmbH and the leasing of a photovoltaic system on the roof of the plant in Hörsching by HI Solar GmbH, both of which are related companies of the Chairman of the Supervisory Board, were and are used at arm's length conditions.

Otherwise, during the 2023 financial year, the company did not enter into any significant transactions with related parties pursuant to § 95a of the Austrian Stock Corporation Act.

SUPERVISORY BOARD COMMITTEES

In accordance with the Austrian Stock Corporation Act, the POLYTEC Holding AG Supervisory Board has established an audit committee, which carries out the scheduled controlling and monitoring functions. The chairperson of the audit committee disposes over the appropriate knowledge and practical experience with regard to financing, accounting and reporting (financial expert). Apart from the supervision of accounting and the auditing process for both the financial statements and the consolidated financial statements, the proposal for the distribution of profits, and audit planning, in particular the effectiveness of the internal control and risk management systems was monitored. Moreover, consultations were held regarding the strategic focal points of the audits and the procedures of the committee in the light of new legal stipulations. Last, but not least, the committee is required to examine the Corporate Governance Report and reporting with regard to Austrian sustainability and diversity improvement legislation.

During the 2023 financial year, the audit committee convened twice, whereby at both these meetings the (group) auditor was present. During the same period the Supervisory Board held a total of four ordinary and two extraordinary meetings.

In addition to the mandatory audit committee, a nomination committee has been established at the company, which also performs the tasks of the remuneration committee. In particular, the nomination committee is responsible for the negotiation, content, conclusion, implementation, and if necessary, termination of employment contracts with members of the Board of Directors, and in doing so observes the relevant rules of the Austrian Corporate Governance Code. It prepares the annual draft of the remuneration report for the members of the Board of Directors and reviews the remuneration policy of the company at least every fourth financial year. No Supervisory Board member was absent from more than half of the meetings. The majority of committee members do not meet the criteria for independence under C-Rule 53.

The areas of responsibility of the individual Supervisory Board members in the respective committees are shown in the following table:

COMPOSITION OF THE COMMITTEES

Committees	Chairman	Members
Audit committee	Reinhard Schwendtbauer	Viktoria Kickinger, Fred Duswald
Nomination committee	Friedrich Huemer	Viktoria Kickinger, Fred Duswald

3. OTHER INFORMATION

REMUNERATION OF THE SUPERVISORY BOARD AND THE BOARD OF DIRECTORS

Following the entry into force of the 2019 Austrian Stock Corporation Act Amendment Act in the 2020 financial year, the Supervisory Board and the Board of Directors established a new remuneration policy, which was adopted by the necessary majority at the 20th Annual General Meeting on 7 August 2020. The remuneration policy must be submitted to the Annual General Meeting for a vote in accordance with sections 78b (1) and 98a of the Austrian Stock Corporation Act (AktG) at least every fourth financial year. The revised remuneration policy will therefore be put to the vote at the 24th Annual General Meeting on 21 June 2024.

Reporting of the remuneration of the Supervisory Board and the Board of Directors in the 2023 financial year takes place in the Remuneration Report prepared in accordance with § 78c and § 98a Austrian Stock Corporation Act (AktG). The Remuneration Report will first be presented to the 24th Annual General Meeting of POLYTEC Holding AG for approval and will subsequently be available for perusal in the Investor Relations section of the company website www.polytec-group.com.

CODE OF CONDUCT AND COMPLIANCE

For the POLYTEC GROUP conduct in accordance with the law and strict ethical standards represents a matter of course. However, compliance in this connection means far more than merely the implementation of current rules and regulations. In fact, compliance is a matter of corporate culture. Therefore, the acceptance of responsibility and actions in accordance with ethical principles have been integrated into the POLYTEC GROUP's corporate values and mission statement in unequivocal form, and tabulated in the Code of Conduct, which can be accessed via the group's website.

As a listed corporation POLYTEC Holding AG is obliged to fulfil the complete range of stipulations regarding adherence to capital market legislation. In order to prevent insider dealings, employees and other persons acting on behalf of POLYTEC Holding AG are informed continually of the ban on the misuse of insider information and internal guidelines have been issued for the transfer of information within the company. Adherence to the latter is monitored and suitable organisational measures have been taken in order to prohibit the improper use or passing on of insider information. The related tasks constitute a major element

within the company's compliance organisation. During the year under report, the members of the Supervisory Board and the Board of Directors received comprehensive information regarding compliance activities at regular intervals.

In addition to capital market compliance content, the POLYTEC GROUP holds regular coaching regarding data protection, anti-corruption and anti-trust law. The awareness levels of employees are raised with respect to issues of data protection, competition and anti-trust law relevance, as well as correct conduct when dealing with data, gifts and invitations. The aim is to protect both employees and the group against infringements of the law and to offer practice-related support during the application of the relevant regulations. No breaches of compliance were determined during the period under review.

DIVERSITY AND THE ADVANCEMENT OF WOMEN

The POLYTEC GROUP now has a workforce of around 3,900 on four continents. As a result of this internationality, diversity, respect, equality of opportunity and the integration of employees from differing cultures represent integral elements within corporate culture. Any form of personal discrimination whether due to origin, gender, skin colour, age, religion, sexual orientation or handicap is strictly rejected. The employees of the POLYTEC GROUP are regularly trained on these requirements as part of the Code of Conduct.

During recruitment for vacant positions, a focus is placed on a performance orientation, knowledge, skills, equal opportunity and treatment. New team members are selected primarily on the basis of the best possible qualifications and experience, which the candidates can then contribute to the POLYTEC GROUP.

When electing members of the Supervisory Board, the Annual General Meeting has to account for requirements relating to professional and personal qualifications, as well as the balanced specialist composition of the board. Furthermore, diversity aspects have to be taken into reasonable account with regard to the representation of all genders, age structure and internationality. Newly elected Supervisory Board members must inform themselves appropriately regarding the structure and activities of the company and their tasks and responsibilities.

The POLYTEC Holding AG Supervisory Board has had a female member for over seventeen years, who during the 2023 financial year occupied one of the five Supervisory Board positions. This corresponded with a share of female membership of 20%. L-Rule 52 is thus fulfilled, as at present the POLYTEC Holding Supervisory Board does not consist of at least six persons.

In the 2023 financial year a woman was not represented on the POLYTEC Holding AG Board of Directors.

On the 31 December 2023, women accounted for some 48.6% (2022: 50.0%) of the POLYTEC Holding AG workforce. On the same balance sheet date, at the POLYTEC GROUP's companies women held around 12.2% of the managerial posts (2022: 11.1%) bearing long-term personnel responsibility. On 31 December 2023, the quota of female employees in the POLYTEC GROUP (excluding leasing personnel) amounted to 26.0% (2022: 24.6%).

AUDITOR

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz was recommended by the Supervisory Board as the auditor of POLYTEC Holding AG's financial statements and consolidated financial statements for the 2023 financial year. This proposal was approved with the necessary majority at the 23rd Ordinary Annual General Meeting held on 9 June 2023. In 2023, total expenses for auditing purposes amounted to EUR 308 k (2022: EUR 273 k). A more detailed breakdown of these expenses into the single fields of activity is available in the notes to the consolidated financial statements.

Hörsching, 5 April 2024

The Board of Directors of POLYTEC Holding AG

Markus Huemer

Chairman of the Board of Directors – CEO/COO

Peter Bernscher

Deputy Chairman of the Board of Directors – CCO

Markus Mühlböck

Member of the Board of Directors – CFO

CHANGES AFTER THE REPORTING DATE

As part of the refinancing of significant promissory note loans of POLYTEC Holding AG in the past financial year, Huemer Invest GmbH, a company affiliated with the Chairman of the Supervisory Board, Mr. Friedrich Huemer, reached an agreement with Raiffeisenlandesbank Oberösterreich at the beginning of 2024 to acquire the fixed assets of POLYTEC Immobilien GmbH, essentially consisting of the plant or property in Hörsching, to a purchase price of at least EUR 20 million. The conclusion of the purchase and assignment agreement for the acquisition of the shares in POLYTEC Immobilien GmbH at an enterprise value of EUR 21 million by Huemer Immobilien GmbH will take place in April 2024. A total of EUR 20 million was paid to the POLYTEC GROUP in January 2024 to pre-finance the purchase price.