

VERBIO Vereinigte BioEnergie AG

Statement on corporate governance for the financial year 2022/2023 (from July 1, 2022 to June 30, 2023)

Gender disclaimer:

In order to improve the readability of the report that follows we have not made use of multiple gender forms (he/she/diverse). The male gender is used in a generic form, and in doing so reference is made to all genders on equal terms.

The statement on corporate governance is prepared pursuant to section 289f and section 315d HGB. The statement also includes, among other things, a report on the Company's corporate governance, together with the declaration of conformity issued jointly by the Supervisory and Management Boards in accordance with § 161 of the German Stock Corporation Act (Aktiengesetz – AktG).

The work of the management and supervisory bodies of VERBIO Vereinigte BioEnergie AG ("VERBIO" or "the Company") is based on ethical principles and individuals taking responsibility for their behaviour, and is performed in accordance with the principles of responsible, transparent and value-driven corporate governance. In doing so, the management and supervision of the Company is designed, consistent with sustainable value-added policies, to ensure the Company's long-term success. The Company follows the legal obligations and the recommendations of the German Corporate Governance Code (Deutscher Corporate Governance Kodex – GCGC) in its current revised version dated April 28, 2022. In addition to issuing internal Group guidelines, which provide details of the application of corporate governance principles, VERBIO communicates about the development of the Company's business in a transparent, comprehensive and timely manner.

Management and Supervision of the Group

VERBIO is a stock corporation incorporated under German law and has three governing bodies, the annual general meeting, the Management Board and the Supervisory Board, whose functions and powers are primarily defined by the Stock Corporation Act and the Company's articles of association. A basic requirement of German stock corporation law is the application of the dual management system. Under this system the Management Board is responsible for the management of the Company, and the Supervisory Board has a supervisory function. In the financial year 2022/2023 just ended, VERBIO had a Management Board consisting of six members and a Supervisory Board consisting of three members. In addition, a replacement member of the Supervisory Board has been appointed.

In managing and supervising the business, VERBIO's Management and Supervisory Boards have a close and trusting working relationship, and their objective is to increase the value of the Company for its shareholders on a sustainable basis. The shareholders, as owners of the Company, exercise their rights at the annual general meeting.

Management Board

Composition, diversity concept, competence profile and objectives

In accordance with the Company's articles of association, the Management Board shall consist of at least two members who are allocated specific areas of responsibility. The Supervisory Board appoints the members of the Management Board in accordance with the articles of association and statutory requirements. The allocation of responsibilities to the individual members of the Management Board is described in the annual report 2022/2023 in the section "Executive bodies of the Company".

The members of the Management Board are jointly responsible for the management of the Company. The Management Board manages the Company with the objective of generating sustainable added value. This is done by the Management Board under its own responsibility and in the interests of the Company, i.e. taking account of the interests of the Company's shareholders, employees, customers and other stakeholders. The same applies to the determination of the Company's objectives and strategy.

The Management Board develops the Company's strategic plan, agrees this with the Supervisory Board, and is responsible for its implementation. It discusses the progress of its implementation with the Supervisory Board on a regular basis. In addition, it is responsible for efficient risk management and risk controlling, for an appropriate and effective system of internal control, and for meeting obligations set out by law and by internal guidelines, and it takes measures to ensure these are respected by Group companies (compliance).

A target of 25 percent was set by the Management Board for female participation in the management level below the Management Board on July 1, 2022 to be achieved by June 30, 2027. This had already been achieved by June 30, 2023.

The Supervisory Board has provided the Management Board with internal rules of procedure that describe the allocation of responsibilities between the members of the Management Board, the scope of the responsibilities reserved for the Management Board as a whole, the required majority votes necessary to approve Management Board resolutions, and the catalogue of transactions requiring prior approval. The catalogue of transactions that require prior approval includes decisions and measures that have a significant effect on the net assets, financial position or results of operations of the Company, as well as transactions between VERBIO Group companies and members of the Management Board or their related persons or entities.

The Chief Executive Officer coordinates the work of the Management Board. He chairs the meetings of the Management Board, which usually meets every fourteen days. All significant decisions and measures are discussed at these meetings. Resolutions are approved with a simple majority of actual votes cast unless the articles of association or the rules of procedure state otherwise. In the event of a tied vote, the Chief Executive Officer shall have the casting vote.

The Management Board provides the Supervisory Board with comprehensive information on a regular basis, both orally and in writing, in the form of board reports and meeting documents regarding all matters of commercial, environmental and social importance to the Company and the Group, in particular concerning business trends, business planning, fundamental questions regarding company strategy, the profitability of the business and the course of

business, as well as the risk situation including risk management, the internal audit function and relevant compliance and sustainability issues. In addition, the Management Board reports on transactions that are of particular significance to the Company's profitability or liquidity. The Management Board provides detailed information on variances between the course of business and the business plans and objectives. The reasons for the variances, as well as the measures taken in response to them, are discussed with the Supervisory Board. When significant events occur the Chairman of the Supervisory Board informs the Supervisory Board, and if necessary an extraordinary meeting of the Supervisory Board is convened. The Chairman of the Management Board maintains regular contact with the Chairman of the Supervisory Board between the dates of the meetings held by the Supervisory Board.

The composition of the Management Board of VERBIO shall ensure that its members, as a whole, have the necessary knowledge, skills and experience required to manage an international technology group.

The decisions made by the Supervisory Board concerning the composition of the Management Board shall be made based on a careful analysis of existing and future commercial challenges.

The composition of the Management Board of VERBIO shall ensure it can perform its management tasks in a comprehensive and assured manner. The composition as a whole should, in combination, provide the knowledge and experience required to enable the Group to pursue its operating and commercial objectives in the interests of the shareholders and other stakeholders in an effective and sustainable manner.

Retaining the commitment of the individual members of the Management Board to the VERBIO Group ensures that the Company can benefit from the many years of professional and personal experience of the individual board members.

There are no specific time limits on the appointments of members of the Management Board. However, the rules of procedure provide that members of the Management Board shall, as a rule, not be older than 67 years of age.

A new member appointed to the Management Board shall possess sufficient knowledge, skills and technical experience to ensure that he is in a position to perform the tasks assigned to him in a proper manner appropriate to a public listed technology company with worldwide activities in international markets.

In the opinion of the Supervisory Board, the fundamental qualities required for a position as a member of the Management Board are, in particular, personality, commitment, integrity, outstanding leadership qualities, possession of the technical qualifications for the responsibilities assigned, a past performance record, knowledge of the business, as well as the ability to change business models and processes. Further criteria used in the competence profiles are:

- Experience of a corporate environment as well as knowledge of the regions and markets that are of particular importance for VERBIO
- Years of experience with current industry and market developments
- Many years of experience of leadership in scientific, technical and commercial fields

- Diversity of professional backgrounds, experience and thinking
- Primary consideration of internal candidates

Approaches to implementing competence profiles and diversity

The implementation of the concept is primarily ensured by the involvement of the Supervisory Board in the strategic, financial, non-financial and current issues confronting the business and its organisation, as required by statutory obligations, the articles of association and the rules of procedure. The Supervisory Board is responsible for the allocation of responsibilities, the appointment of members and succession planning in respect of the Management Board.

Independence

The Management Board shall perform the management tasks assigned to it without conflicts of interest. The holding of positions as an officer or holding consultancy roles with significant competitors of the Company should be avoided.

Determining the diversity concept for the Management Board

VERBIO regards diversity as a strategic success factor for the future sustainability of the Company. Combining different professional and educational backgrounds enables the Management Board to complete the tasks and fulfil the obligations placed on it under statutory obligations, the articles of association and the rules of procedure.

As part of its diversity concept in the sense of § 289f (2) No. 6 HGB the Supervisory Board takes account of diversity aspects in the composition of the Management Board when making personnel decisions.

For decision-making purposes, the Supervisory Board understands diversity in particular as the combination of different, complementary profiles and professional experience, including internationally, as well as combining different personalities.

The objective of this concept is to achieve, within the composition of the Management Board as a whole, a good understanding of the industry-specific, financial, non-financial, organisational and commercial aspects relevant to VERBIO AG. A diversity of competencies appropriate to the Management Board's needs should enable it to make decisions that take proper account of all relevant circumstances and ensure that it is open to innovative ideas. This should enable it to make a contribution to the successful management of the Company.

On this basis the Supervisory Board considers the following diversity aspects in the composition of the Management Board.

VERBIO attaches high importance to diversity in educational and professional backgrounds. The Management Board of a technology company should always ensure that it possesses scientific competence and/or experience in the chemicals industry. At the same time, it should also have knowledge and experience in trade, logistics, marketing, financial reporting, financial management, business management, planning and strategy, sustainability, as well as an understanding of the workings and requirements of capital markets.

The objective of the diversity concept described above is to ensure the optimal composition of the Management Board in order to ensure that the Company is managed in a successful and sustainable manner. A diverse composition ensures that the corporate body assesses

all relevant issues with the necessary understanding, that it takes account of all significant aspects from different viewpoints, and that it can set the correct priorities.

Implementation of the diversity concept

The composition of the Management Board takes account of diversity aspects with the exception that there are no female board members. All members of the Management Board have knowledge of the industry and extensive experience in the specific areas for which they are responsible. In addition to their leadership and professional experience they also have a solid technical education. In the rules of procedure the Supervisory Board has set an age limit of, as a rule, 67 years of age for members of the Management Board, which is consistent with the recommendations of the GCGC.

Female participation in the Management Board

As is the case with appointments to all management positions in the VERBIO Group, when selecting new members of the Management Board the Supervisory Board is required to engage in a specific search for female applicants and considering them when making appointments. The Supervisory Board takes account of this in its search for candidates. However, it wishes to make the final selection of appointees to the Management Board wholly on the basis of competence profiles, without being bound by a need to meet a specific quota.

Accordingly, in its meeting held on May 6, 2022 the Supervisory Board decided to continue with its original resolution dated September 21, 2015 to set a target quota of at least 0 percent for female participation in the Management Board. The implementation of the newly confirmed target quota should be achieved by June 30, 2027.

Supervisory Board

Composition, diversity concept, competence profile and objectives

In accordance with the Company's articles of association, the VERBIO Supervisory Board currently consists of three members: Alexander von Witzleben (Chairman of the Supervisory Board), Ulrike Krämer (Vice-Chair of the Supervisory Board), and Dr. Klaus Niemann.

The Supervisory Board elects a Chairman and a Vice-Chair from among its members. The primary task of the Supervisory Board is to appoint the Members of the Management Board, to supervise their management of the Company, and to advise them in their management role. It is involved in all decisions that are of fundamental importance to VERBIO. The Supervisory Board has established internal rules of procedure, which are based on both the legal requirements and the recommendations of the GCGC. Detailed information on the work of the Supervisory Board in the financial year 2022/2023 just ended is provided in the report of the Supervisory Board, which is included in the management report provided in the annual report 2022/2023.

The Chairman of the Supervisory Board coordinates the work of the Supervisory Board, manages their meetings and is responsible for external matters concerning the Supervisory Board. Within reason, he is available to enter into discussions with investors about specific issues concerning the Supervisory Board.

The Supervisory Board decides, based on the legal requirements and on the requirements of the articles of association, on the number of members of the Management Board, the

qualifications necessary, as well as the appointment of appropriate persons to the individual positions. It is required that it takes account of diversity when making appointments to the Management Board, and that a target for female participation shall be set. The Supervisory Board considers the specific competence and qualifications of candidates to be of primary importance when making appointments to the Management Board. The Supervisory Board is of the opinion that VERBIO's success reflects that the current management team has proved its competence in this regard.

The members of the Supervisory Board have the required knowledge, skills and professional experience to be able to carry out the work assigned to them. The current election period of the Supervisory Board terminates at the end of the annual general meeting that approves the activities of the Board for the financial year 2024/2025. Elections to the Supervisory Board are conducted on an individual basis.

In accordance with Recommendation C.1 of the GCGC, the Supervisory Board shall state specific objectives for its composition and prepare a competence profile for the board as a whole. In doing so, the Supervisory Board shall take account of diversity. According to the code, the competence profile of the Supervisory Board should also include expertise in sustainability issues relevant to the organisation. Proposals made by the Supervisory Board to the annual general meeting should take account of these objectives and, at the same time, aim to complete the competence profile for the board as a whole. An important issue for good corporate governance is to ensure that the appointments made to the Management and Supervisory Boards responsible for the Company's management are appropriate to its needs. The leading principle applied when making appointments to the Supervisory Board is to ensure that the board is qualified to supervise and advise the Management Board. The annual general meeting shall be presented with proposed candidates for election to the Supervisory Board who possess the necessary technical knowledge and experience, commitment, independence and personality to ensure that they can successfully perform the tasks expected of them as members of the Supervisory Board of a Company with international activities. In doing so, it is necessary to differentiate between the requirements placed on the individual members of the Supervisory Board and the composition of the board as a whole.

Requirements placed on the individual members of the Supervisory Board

The members of the Supervisory Board must be qualified, both technically and in terms of personal skills, to supervise and advise the Management Board in their function of leading a Company with international activities.

Each member of the Supervisory Board meets the requirements set out under statute (in particular § 100 (1) to (4) AktG) and in the articles of association for membership of the Supervisory Board.

Good corporate governance

Each member of the Supervisory Board should possess knowledge of the good corporate governance of a publicly traded company necessary for the proper performance of his tasks. This includes basic knowledge of financial reporting, risk management, internal control mechanisms, and audit as well as issues concerning compliance, regulatory and legal matters.

Specific industry knowledge and international outlook

Each member of the Supervisory Board shall have general knowledge of the manufacturing and sale of renewable, synthetic and biomass-based products and components as well as sufficient understanding of the international nature of VERBIO's business.

Independence

At least two members of the Supervisory Board should be independent in the sense of the German Corporate Governance Code in the version dated April 28, 2022. In assessing independence, the Supervisory Board is of the opinion that the length of time that a member serves in the Supervisory Board is not necessarily an obstacle to the independence of that member.

Members of the Supervisory Board may not hold any roles as members of corporate bodies or positions as consultants of any significant competitor of VERBIO.

Time availability and cap on the number of offices held

Each Supervisory Board member should ensure that they have sufficient time available to discharge the duties required of them as members of the Supervisory Board. These include preparation tasks in advance of and follow-up tasks subsequent to meetings of the Supervisory Board, studying reports submitted to the Supervisory Board, participation in the annual general meeting, and the regular participation in training events. In addition, the recommendation on the cap on the number of offices held set out in the German Corporate Governance Code should be adhered to.

A member of the Supervisory Board who is not simultaneously a member of a Management Board of a Company listed on a stock exchange shall not hold more than five positions as member of a Supervisory Board (or comparable positions) of other companies listed on a stock exchange, whereby a position as a Chairman of a Supervisory Board shall count double for this purpose. A member of the Supervisory Board who is simultaneously a member of a Management Board of a Company listed on a stock exchange should not hold more than two positions in other companies listed on a stock exchange as a member of a Supervisory Board (or a comparable position) and may not hold a position as a Chairman of a Supervisory Board of another Company listed on a stock exchange.

Other positions held by members of the Supervisory Board are described in the "Executive bodies of the Company" section of the annual report 2022/2023, and to the extent that a member of the Supervisory Board holds more than the recommended number of positions this is explained in the declaration of conformity. The members of the Supervisory Board ensure that they have sufficient time available for the performance of the duties expected of them. The Supervisory Board obtains assurances from new candidates presented to the annual general meeting for election as potential members of the Supervisory Board that they have sufficient time available for the performance of the duties that will be expected of them.

Age limit

As a rule, the Supervisory Board shall only include persons who have not completed their 75th year of age at the date of their election or appointment. The Supervisory Board shall take

account of this age limit when making proposals for membership of the Supervisory Board in accordance with § 6 (1) of its rules of procedure.

The curricula vitae of the current members of the Supervisory Board, together with the dates on which their terms of offices commenced and information concerning other appointments in other committees, are available on the Company's website (www.verbio.de) on the "Management & Supervisory Board" page.

English language competence

Each member of the Supervisory Board should be competent in the English language, as the reporting and preparation of documentation is partially carried out in English.

The Supervisory Board competence matrix

	Alexander von Witzleben	Ulrike Krämer	Dr. Klaus Niemann
Company-specific competencies			
Management experience	✓	✓	✓
Industry knowledge	✓	✓	✓
International outlook	✓		✓
Regulatory affairs		✓	
Competence in the English language	✓	✓	✓
Governance-specific competencies			
Independence	✓	✓	✓
Time capacity	✓	✓	✓
Accounting	✓	✓	
Risk management	✓	✓	✓
Internal control mechanisms	✓	✓	
Audit	✓	✓	✓
Compliance	✓	✓	✓
Financial reporting	✓	✓	
Financial auditing	✓	✓	
ESG expertise		✓	

Requirements applicable to the board as a whole

Specific industry-sector experience

The Supervisory Board as a whole must be familiar with the industries in which VERBIO is active, in particular with the manufacturing and sale of renewable, synthetic and biomass-based products and components. At least one member of the Supervisory Board should have deep knowledge and/or experience in those industries that are particularly relevant to the Company.

Financial/commercial skills

The Supervisory Board as a whole must possess financial knowledge, in particular in the areas of financial accounting, reporting and the audit of financial statements, and have commercial skills. At least one further member should have knowledge in the area of audits of financial statements.

Knowledge of relevant legal issues as well as relevant regulatory and compliance issues

The Supervisory Board as a whole should be familiar with the relevant legal issues and relevant compliance and regulatory matters.

ESG expertise

The Supervisory Board as a whole should be familiar with the relevant issues concerning sustainability, in particular environmental, social and governance (ESG) aspects.

International outlook

VERBIO has business activities in Europe, Asia and the USA. Accordingly, the Supervisory Board as a whole should have knowledge and experience of the USA and India, in particular.

Management experience

The Supervisory Board as a whole should have experience in management or in the supervision of a medium-sized or large entity.

Diversity and appropriate female participation

The Supervisory Board should be able to draw on different specific areas of expertise, abilities and experience. For this reason, appropriate attention should be paid to ensuring diversity in its composition, and the preparation of candidates proposed for election to the annual general meeting should be aimed at ensuring that the competence profile for the board as a whole is complete. In doing so, the Supervisory Board, when proposing candidates to the annual general meeting for election, shall ensure that the candidates' profiles shall complement one another in a sensible manner in the interests of the Company,

and that the primary focus of attention shall be on the technical and personal qualifications of the candidates.

In its meeting on May 6, 2022 the Supervisory Board of VERBIO AG made a resolution to continue the target of 33 percent for female participation in the Supervisory Board previously approved in a resolution in May 2017, with a target date of up to June 30, 2027. As the Supervisory Board consists of one female and two male members, this target has already been met.

In the assessment of the Supervisory Board, its members currently cover the competence fields necessary for the Supervisory Board to perform its duties in an efficient manner. Accordingly, the current composition of the Supervisory Board meets the criteria for its targeted composition and also meets the competence objectives.

Supervisory Board self-evaluation

The Supervisory Board audits the effectiveness of its work in accordance with recommendation D.12 of the GCGC on a regular basis using a self-evaluation questionnaire. The detailed questionnaire includes questions on the operational, personnel and content-related performance of the board, as well as on the Supervisory Board's structure and cooperation processes and the provision of information.

The results are examined in a meeting on an anonymous basis and the potential for improvements is discussed. The last examination was performed in June/July 2022/2023. The results of the audit were presented to the Supervisory Board and were subject to discussion. They confirm the professional and constructive cooperation within the Supervisory Board and with the Management Board, and further confirm that the board has an efficient system for organising and holding its meetings and that it is appropriately provided with information.

Further education and training for the Supervisory Board

Supervisory Board members participate in such training and further education measures as are necessary for them to perform their duties under their own responsibility, with appropriate support from VERBIO, and, when necessary, are provided with support from the Company for these measures. The members of the Supervisory Board are kept informed on a regular basis by reviewing current literature, by self-study and by participating in various online seminars. In addition, the members of the Supervisory Board keep themselves informed about matters relevant to their Supervisory Board duties by subscribing to online magazines, sources of technical information and newsletters.

Sub-committees

In accordance with the articles of association the VERBIO Supervisory Board consists of three members only, which means that it is of an appropriate size to ensure that it is able to discuss and make resolutions on all matters in the presence of the entire board. With the exception of the audit committee, no sub-committees have been formed, as was the case in the previous financial year.

In accordance with § 107 (4) AktG, VERBIO's Supervisory Board consisting of three persons also fulfils the role as the audit committee. The audit committee is chaired by Ulrike Krämer.

At least one member of the audit committee must have competence in financial reporting, and at least one further member of the audit committee must have competence in the auditing of financial statements. Financial reporting and financial auditing also include sustainability reporting and the auditing thereof. Ulrike Krämer and Alexander von Witzleben are considered independent financial experts in the sense of § 100 (5) AktG. Both Ulrike Krämer and Alexander von Witzleben have, as a result of their professional training and their professional occupations, in particular as tax consultant and auditor and respectively as an experienced Chief Executive Officer and Chairman of Administrative Boards, the necessary competence in financial reporting and financial audits. Ulrike Krämer in particular, as Chair of the audit committee, has specific knowledge and experience in the application of accounting principles, systems of internal control, risk management systems and sustainability issues. She is also familiar with the audit of financial statements.

Independence of board members

Potential conflicts of interest are avoided in advance by ensuring that members of the Supervisory and Management Boards disclose any possible conflicts of interest to the members of the Boards as a whole, abstain from dealings concerning relevant matters, and abstain from votes on resolutions on such subjects.

The Supervisory Board has established independence rules as part of its internal rules of procedure. None of the members of the Supervisory Board has a private or business relationship with VERBIO or its management bodies which could give rise to a conflict of interest. Further, none of the members is a member of a corporate management body of, or has accepted an advisory function with, a significant competitor of VERBIO. VERBIO has no controlling shareholder whose relationship with a member of the Supervisory Board could endanger his or her independence.

In accordance with recommendation C.7 of the current GCGC, when determining whether a member of the Supervisory Board is independent it is also necessary to consider, among other things, whether the member was a member of the Company's Management Board within the two years prior to his appointment to the Supervisory Board, or whether the member has been a member of the Supervisory Board for a period exceeding 12 years. Alexander von Witzleben and Ulrike Krämer have both been a member of the Supervisory Board for a period exceeding 12 years. VERBIO is convinced that Alexander von Witzleben and Ulrike Krämer will continue to perform their roles as they have done to date, and that they will continue to contribute with financial/commercial skills. As a result, the length of time in office appears to be of subordinate importance. Accordingly, in the Supervisory Board's view, Alexander von Witzleben and Ulrike Krämer can continue to be regarded as independent, meaning that the Supervisory Board wholly consists of members who are appropriately independent.

In the reporting period Claus Sauter and Bernd Sauter, both officers of the Company holding positions on the Management Board, held office as directors of companies with which VERBIO has commercial relationships. The transactions with these companies were entered into on arm's length terms and conditions. VERBIO is of the opinion that these activities do not affect the independence of Claus Sauter and Bernd Sauter as members of the Management Board.

No other members of the Management Board or natural persons related to them have entered into any significant transactions with VERBIO or its subsidiary entities. Transactions with companies related to members of the Management Board were conducted in accordance with standards typical in the industry and are disclosed in detail in the notes to the consolidated financial statements 2022/2023 in note 12.2 (“Disclosures concerning related persons and entities”).

The members of the Management Board only accept secondary employment after receiving the prior approval of the Supervisory Board. In the financial year 2022/2023 no members of the Management Board held a position as a member of a Supervisory Board of a third-party company listed on a stock exchange, or a position in a supervisory committee with similar demands of a third-party company.

Succession planning

Together with the Management Board, the Supervisory Board ensures that there is a systematic management development plan and long-term succession planning for the Management Board, and in doing so it is focussed on the VERBIO Group’s business strategy. The approach followed takes account of both the requirements of the German Stock Corporation Act and those of the GCGC. For this purpose, the Chairman of the Supervisory Board of VERBIO communicates with the respective members of the Management Board sufficiently in advance of the end of their respective terms of office concerning their willingness to continue in office beyond the term of their contract. Further, the Supervisory Board of VERBIO examines, on an ongoing basis, whether the Management Board represents the best possible composition.

In addition, the successor planning takes account of the diversity concept prepared by the Supervisory Board. This means that in making appointments it takes account of particular aspects such as complementary profiles, professional and personal experience – including international aspects – as well as an appropriate mixture of age groups in order to ensure that there is diversity in the composition of the Management Board.

The Supervisory Board has developed a set of suitability criteria in order to identify appropriate candidates on a timely basis. In identifying potential candidates for a position as a member of the Management Board, the suitability criteria applied by the Supervisory Board are the candidates’ technical competence, qualifications, outstanding leadership qualities, past performance record as well as knowledge of the industry. The Supervisory Board has regular discussions with the Management Board and observes suitable candidates and their development within the VERBIO Group with a view to their suitability as potential candidates for positions as members of the Management Board. Suitable candidates should be supported accordingly in a process of successfully performing roles with growing responsibilities, where possible in various business areas, regions and functions.

However, in the final instance the decisive factor in making an appointment to a position as member of the VERBIO Management Board is the assessment of the technical and personal qualifications of the candidate. A decision on the personal qualities required for appointment to a position on the Management Board is made by the Supervisory Board in the interest of the Company and under consideration of the specific individual circumstances. The current composition of the Management Board ensures the comprehensive fulfilment of the tasks

that are required to be performed by the Management Board of a Company listed on a stock exchange.

**Share dealings of members of the Management and Supervisory Boards
(transactions by members of management – members’ or directors’ dealings)**

In accordance with Art. 19 of the Market Abuse Regulation (MAR), persons with management responsibilities as well as those closely related to such persons are subject to notification and disclosure requirements requiring them to disclose to the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) and to the Company any purchases and sales of shares in the Company, or of instruments based on such shares, when the sum of such transactions within the period of one calendar year amounts to or exceeds the amount of EUR 5,000. In accordance with the applicable statutory requirements such transactions are made public by VERBIO and communicated to the Federal Financial Supervisory Authority (BaFin) without delay.

The Company received notifications in accordance with Art. 19 MAR concerning reportable purchases or sales in the financial year 2022/2023 of VERBIO shares or of instruments based on such shares by members of the Management Board, Supervisory Board, other persons with management responsibilities and persons related to those members and persons. These can be viewed on the Company’s website (www.verbio.de) on the “Directors’ dealings” page.

The total interests attributable to all members of the Management and Supervisory Boards are presented in the annual report 2022/2023 in the section “The VERBIO share”.

Transparency in communications

Transparency is an essential part of ensuring good corporate governance. Accordingly, communication with the capital market and with the interested public is aimed at ensuring that all target groups are provided with comprehensive information on the development of the Group and its acts of corporate governance on an equal and timely basis, thereby providing the best possible quality of valuation-relevant information. VERBIO provides details of regular events such as the date of the annual general meeting or the date of publication of financial reports in the form of a financial calendar, which is published in the annual report, in the half-year financial reports, in the quarterly statements and on the Company’s website.

Shareholders and other interested parties can also inform themselves about current developments at the Group by referring to the VERBIO website. All editions of Corporate News and the ad hoc reports issued are available on the Company’s website (www.verbio.de) in both German and English on a timely basis and within the time frame recommended by the GCGC. The Company’s articles of association can also be accessed on the website together with the rules of procedure for the Supervisory Board, annual reports, half-year financial reports, quarterly statements and company presentations.

Announcements made by VERBIO are published in the Federal Gazette, as required by law. The annual financial statements are published annually in September, and are presented at an analysts’ and investors’ conference. In addition, the VERBIO management hosts individual meetings with analysts and investors.

Insider information (ad hoc publications), voting rights notifications and security transactions entered into by members of the Management and Supervisory Boards, as well as by persons

closely related to them (transactions by members of management), are announced by VERBIO in accordance with the statutory regulations. These can also be viewed on the investor relations section of the Company's website www.verbio.de.

In addition, VERBIO distributes up-to-date company news using the Company's various social media channels. Further, Claus Sauter, the Chairman of VERBIO's Management Board, gives his opinion on current political developments, background issues and market conditions in his blog and podcast #strohklug (www.strohklug.de).

Annual general meeting

At the annual general meeting the shareholders of VERBIO make use of their rights, in particular their rights to information and their voting rights, in accordance with statutory requirements and the Company's articles of association. The annual general meeting is chaired by the Chairman of the Supervisory Board in accordance with the articles of association; in the absence of the Chairman of the Supervisory Board the meeting shall be chaired by the Vice-Chair. The annual general meeting is held once each year within the first eight months of each financial year. The annual general meeting is responsible for resolutions concerning certain issues as specified in law with a binding effect on VERBIO and on all its shareholders, among other things the application of retained profits, capital measures, changes to the articles of association, the approval of business contracts and the approval of the activities of the Supervisory and Management Boards, as well as the appointment of the auditor.

The annual general meeting of VERBIO AG was held in Leipzig on February 3, 2023. In response to the COVID-19 pandemic and with the approval of the Supervisory Board, the Management Board again decided to hold the annual general meeting 2023 in virtual format, i.e. without the physical presence of the shareholders and their representatives. Shareholders and shareholders' representatives participated in the annual general meeting by virtual means. The meeting was transmitted in full in video and audio over the internet using the so-called "investor's portal". The shareholders of VERBIO made use of their rights using the internet-supported general meeting system in the virtual annual general meeting, as well as by means of a question and answer process prepared in advance. In addition, there was an opportunity to make use of speaking and question rights during the meeting. For this purpose, shareholders were connected to the meeting directly using an online facility. They were able to exercise their voting rights in person, by proxy representatives, or by a voting proxy representative provided by the Company. For this purpose, each share held granted the holder one vote. The voting proxy representatives were present throughout the meeting.

VERBIO publishes the invitation to the annual general meeting, all documents relevant for the meeting agenda, and reports and information needed for the resolutions in accordance with the relevant provisions of German stock corporation legislation. In addition, these documents are made available on the Company's website, and the voting results on the individual agenda topics are also published without delay on the Company's website following the completion of the annual general meeting.

Financial loss and liability insurance

VERBIO has entered into a financial loss and liability insurance policy (known as D&O insurance) for the benefit of the members of the Management and Supervisory Boards. The insurance covers their personal legal liability in the event that claims for financial losses are made against members of the Management and Supervisory Boards, as well as certain other members of management, in connection with their activities. In accordance with the legal requirements under § 93 (2) AktG, the excess (or deductible) to be borne by members of the Management Board is 10 percent of the damages incurred, limited to one and half times the fixed annual remuneration of the respective members of the Management Board.

Own shares

VERBIO does not hold any of its own shares at the balance sheet date.

Under a shareholders' resolution approved at the annual general meeting of shareholders held on February 1, 2019, the Management Board is authorised, subject to the approval of the Supervisory Board, to acquire own shares representing up to 10 percent of the share capital at the date of the resolution (EUR 63,000 thousand). This approval, which is valid until January 31, 2024, may not be used for the purpose of trading in the Company's own shares.

Remuneration of the Management and Supervisory Boards

In the remuneration report prepared in accordance with § 162 AktG, which, for the financial year 2022/2023, is prepared in the form of a separate report and made available for inspection on the Company's website (www.verbio.de), VERBIO provides explanatory information on the amounts and structure of the remuneration payable under the remuneration system for the Management Board and the amounts of remuneration attributable to each member of the Management Board. The remuneration of the Management Board primarily consists of fixed annual remuneration as well as non-cash benefits in kind and a variable remuneration component, which in turn comprises an annual bonus and a long-term bonus. Together with the fixed remuneration, in recognition of their loyalty to VERBIO the long-standing members of the Management Board are also awarded a so-called loyalty bonus, half of which is paid in shares. The other half can, at the discretion of the Management Board, be paid in cash or also be paid in shares. The variable remuneration of all members of the Management Board is adjusted in accordance with the requirements of § 87 (1) sentence 3 AktG. It is dependent on the achievement of operating and non-operating objectives, primarily based on multi-year assessments. A portion of the variable remuneration, the annual bonus, can only be paid when the relevant positive business results are achieved. In this way the remuneration structure is aimed at promoting the sustainable development of the business.

In its meeting on December 2, 2021 the Supervisory Board made a resolution to implement a new system of remuneration for the Management Board 2021 which includes uniform rules for long-term bonus awards for member of the "old" and "new" Management Board. The new remuneration system for the Management Board 2021 is used as a basis for new contracts entered into with members of the Management Board from July 1, 2021. The annual general meeting held on February 4, 2022 approved the remuneration system for the Management Board resolved by the Supervisory Board.

The system of remuneration for members of the Supervisory Board provides for an entirely fixed remuneration with no performance-related variable components and no share-based remuneration. The Management and Supervisory Boards are of the opinion that a remuneration that solely consists of fixed remunerations is the most appropriate approach to strengthen the independence of the Supervisory Board. This is intended to provide effective support for it in fulfilling its role of performing an advisory and monitoring function for the Management Board. Detailed information on remuneration is available in the remuneration report 2022/2023 which has been published on the VERBIO website (www.verbio.de).

Supervision and risk management system

The continuous and systematic management of commercial opportunities and risks, which include, among others, sustainability issues, is of fundamental importance in ensuring VERBIO's professional corporate governance. It contributes to being able to identify risks early and to their evaluation and, where necessary, to taking timely measures to counter those risks. The Management Board reports to the Supervisory Board on existing risks and their developments on a regular basis.

VERBIO develops its risk management system further on an ongoing basis, amending it in response to changing framework conditions. Detailed information on risk management is presented in the opportunities and risk report, which is included in the Group management report. This includes the report on the internal control and risk management system of the Company related to financial reporting, as required by the Balance Sheet Modernisation Act (Bilanzrechtsmodernisierungsgesetz – BilMoG). The risk management system established by the Management Board is subject to the assessment of the auditors as part of their annual audit of the financial statements.

In addition, the internal audit function, as an internal body which is independent of processes, monitors activities within the organisation at the request of the Company's management. This includes, among other things, the supervision of the internal control and risk management system as well as the performance of examinations in the accounting and financial reporting areas. Any weaknesses and improvement recommendations are noted and addressed to those responsible for the respective processes for resolution. In doing so there is a targeted tracking of results to ensure that recommended measures are implemented effectively. The reports generated are submitted to the Management and Supervisory Boards.

In addition, VERBIO maintains an insider list as required under Art. 18 MAR. The affected persons were informed of their legal obligations under Art. 17 et seq. MAR, and of penalties in accordance with § 30 and § 31 MAR respectively.

Compliance

For VERBIO, a conscious approach to compliance work is an essential basis for successful and sustainable business activities. It is intended to ensure that the Company, its management committees and its employees behave in accordance with the obligations and prohibitions imposed by law. The objective is to sharpen the awareness of employees, members of management, members of the Management and Supervisory Boards as well as customers and suppliers concerning compliance issues, and to promote responsible behaviour.

The German Corporate Governance Code, together with the compliance work, provides the basis for the responsibility of the Management Board and ensures compliance with the provisions of law and the Group's internal requirements.

Taking account of the respective national circumstances, VERBIO is working to create a Group-wide compliance culture that binds all employees and managers to the compliance requirements and which is subject to ongoing further development. The focus of the compliance work is on incorporating human rights and environmental aspects all along the VERBIO Group's supply chain, and the continued ongoing development of the compliance management system with the objective of concentrating the work on preventative measures.

Compliance work is, at all times, aimed at addressing the implementation of new regulatory demands in order to address risks arising from changes in the business environment, from global business activities, and from the development of the business in an effective and appropriate manner.

The VERBIO Management Board has issued Group-wide compliance directives. In view of the high importance attached to compliance issues at VERBIO the Management and Supervisory Boards are informed on the current status of the compliance programme on a regular basis, including the associated measures taken to communicate, provide training for and update existing rules of conduct. VERBIO's business partners are also required to commit themselves to sustainable and responsible business practices by submitting supplier declarations on compliance matters.

Financial reporting and audit

The consolidated financial statements and the interim consolidated reports are prepared in accordance with International Financial Reporting Standards (IFRS). The annual statutory financial statements of VERBIO are prepared in accordance with German Commercial Law (Handelsgesetzbuch – HGB). The annual financial statements and the Group's consolidated financial statements are prepared by the Management Board, audited by the Company's auditors and approved and adopted, respectively, by the Supervisory Board. The consolidated financial statements are published within ninety days of the end of the financial year, and half-year financial reports and quarterly statements are published for public inspection within forty-five days of the quarter-end.

The annual general meeting held on February 3, 2023 approved the proposal made by the Supervisory Board to appoint Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Leipzig as auditor for the annual financial statements and the consolidated financial statements for the financial year 2022/2023. The auditor informed the Supervisory Board without delay concerning all significant findings and results which have become known to it during the course of the audit. Grant Thornton AG confirmed its independence in writing to the VERBIO Supervisory Board on September 15, 2022.

In accordance with the requirements of the GCGC, the auditor is required to inform the Supervisory Board and to describe in its audit report any findings revealed in the course of performing its audit which indicate any inaccuracy in the declaration of conformity issued by the Management and Supervisory Boards in accordance with § 161 AktG. No such findings arose during the audit for the financial year 2022/2023.

In accordance with the requirements under the GCGC the audit committee shall hold discussions with the auditors concerning the assessment of audit risk, the audit strategy and the audit planning as well as the results of the audit. The Chair of the audit committee shall regularly discuss the progress of the audit with the auditor and report thereon to the committee. The audit committee shall consult with the auditor of the financial statements on a regular basis without the presence of the Management Board. The VERBIO audit committee includes these requirements as a firm element of its work programme, and documents these discussions in its minutes. From the financial year 2021/2022 the audit committee has used the approach recommended by the GCGC for the purposes of the audit.

Declaration of conformity with the recommendations of the Deutscher Corporate Governance Kodex – (German Corporate Governance Codex – GCGC) in accordance with § 161 of the German Stock Corporation Act

The GCGC is intended to make the rules governing corporate governance and supervision in Germany transparent for national and international investors, in order to increase trust in the management of German companies.

The current corporate governance declaration, which includes the declaration of conformity, is published on the Company's website (www.verbio.de) together with the declarations of conformity for the last five years.

Corporate governance stands for responsible corporate leadership and supervision, designed to ensure that corporations are managed and organised in such a way that they generate long-term added value. The management of VERBIO complies with the applicable legal obligations, and, with a few exceptions, with the additional recommendations of the GCGC.

The VERBIO Management and Supervisory Boards have made an interim amendment to the declaration of conformity issued on September 23, 2022, and on July 31, 2023 they resolved to issue the following joint declaration of conformity with the GCGC in accordance with § 161 AktG:

Wording of the Declaration of Conformity

“The Management Board and the Supervisory Board of VERBIO Vereinigte BioEnergie AG (hereafter: VERBIO) hereby declare that since its last declaration of conformity, which was issued on September 23, 2022, it has complied with and/or will comply with the recommendations of the Governmental Commission on the German Corporate Governance Code in the version dated April 28, 2022 (published on June 27, 2022), subject to the following exceptions:

In accordance with **Recommendation C.5 of the GCGC**, a member of the Supervisory Board who is simultaneously a member of a management board of a company listed on a stock exchange shall not hold more than two positions as member of a Supervisory Board (or comparable positions) in non-group listed companies, whereby a position as a Chairman of a Supervisory Board shall count double for this purpose. This recommendation has not been complied with and will also not be complied with in the future. Alexander von Witzleben, who is a member of the Board of Directors of a company listed on a stock exchange, currently holds, in addition to his position as Chairman of the Supervisory Board of VERBIO, positions on three other Supervisory Boards, whereby he is also Chairman of the Supervisory Board

of one of those companies. The Supervisory Board and Management Board of VERBIO are not of the opinion that a time conflict arises as a result of these additional appointments. Alexander von Witzleben has demonstrated that he has sufficient time available to perform his duties as Chairman of the Supervisory Board of VERBIO AG with the necessary care and regularity. During the period of his appointment he has fulfilled his supervisory obligations in full at all times.

Recommendations D.2 and D.4 of the GCGC recommend that the Supervisory Board should establish technically qualified committees, in particular a nomination committee. With the exception of the audit committee, the VERBIO Supervisory Board elected not to form any further committees as the Supervisory Board currently comprises only three persons, who have the required knowledge and professional experience to be able to carry out the work of the Supervisory Board effectively without the establishment of committees. All issues arising could be considered and dealt with appropriately by the board as a whole.

In accordance with **Recommendation G.17** of the GCGC additional remuneration should be paid to members of a Supervisory Board committee to take account of the additional time commitment required. The current articles of association governing the remuneration of members of the Supervisory Board take account of the additional time commitment required by the Chairman and Vice-Chair of the Supervisory Board. However, no provision is made for additional remuneration for holding a position as a simple member or as a Chair of a committee as the members of the committee are the same as the members of the Supervisory Board as a whole, so that there is no additional time commitment necessary for the individual members of the Supervisory Board. The Management and Supervisory Boards are of the opinion that the remuneration system approved on January 29, 2021 already provides appropriate remuneration for the Chair of the respective committee and for the Vice-Chair.

Recommendation G.10 of the GCGC provides that the members of the Management Board shall have access to the long-term variable remuneration awarded only after a period of four years. Under the rules of the new employment contracts for the existing members of the Management Board, priority is given to payment of the long-term bonus in shares. The long-term bonus is paid after three years. For shares, there is a vesting period of one year. Accordingly, the recommendation is complied with only on occasions when the bonus is awarded in the form of shares.”

VERBIO Vereinigte BioEnergie AG

Leipzig, September 22, 2022

For the Supervisory Board

For the Management Board

Alexander von Witzleben
Chairman of the Supervisory Board

Claus Sauter
Chief Executive Officer