

CORPORATE GOVERNANCE STATEMENT AND CORPORATE GOVERNANCE REPORT

In the Corporate Governance Statement in accordance with Sections 289f (1) and 315d (1) HGB, which is also the Corporate Governance Report according to No. 3.10 “German Corporate Governance Code” (GCGC), JOST Werke AG explains how the key elements of corporate governance are structured at the Group and the Company.

It contains the declaration of conformity in accordance with Section 161 German Stock Corporation Act (AktG), relevant disclosures on corporate governance practices, which go beyond statutory requirements, the working practices of the Management Board and Supervisory Board, the composition and working practices of their committees, and the percentage of women in management positions, along with the Group’s targets and diversity policy.

COMPLIANCE DECLARATION PURSUANT TO SECTION 161 AKTG WITH RESPECT TO THE GERMAN CORPORATE GOVERNANCE CODE

The Management Board and Supervisory Board closely examined the applicability of the recommendations of the GCGC to JOST Werke AG and the JOST Group. They issued the following declaration in accordance with Section 161 AktG in December 2017:

„The Executive Board and the Supervisory Board of JOST Werke AG declare that the recommendations of the German Corporate Governance Code (the “Code”) in the version of 7 February 2017 have been met since the Company’s public listing on 20 July 2017 with the following restrictions:

- No. 3.8 paragraph 3 (deductible in the D&O policy for the Supervisory Board): The Company has obtained D&O coverage for the members of the Supervisory Board without the deductible recommended by the Code. The Executive Board takes the view that such a specified deductible is not in itself suitable to increase the performance and sense of responsibility of the members of the Supervisory Board. Furthermore, it may reduce the attractiveness of positions within the Supervisory Board and, therefore, the Company’s opportunities in its competition for qualified candidates.
- No. 4.1.5 paragraph 1 (diversity at the appointment of executive positions in the Company): By way of precaution, a deviation from this recommendation is declared. The Executive Board is committed to diversity in selecting executives and takes into account female candidates. When filling executive positions, however, the professional and personal qualifications of the respective candidate shall be the decisive factor.
- No. 4.2.2 paragraph 2 sentence 3 (appropriateness of the remuneration of the Management Board; performing the vertical comparison): Due to the dynamic development, the Supervisory Board has so far not defined any senior management circle or the entire workforce as categories and has therefore not taken it into account with respect to the development of the

remuneration of the Executive Board over time. Such a categorization does not seem crucial to the Supervisory Board.

- No. 5.1.2 paragraph 1 (diversity in the composition of the Executive Board): As a precautionary measure, a deviation from this recommendation is declared, especially with regard to the current composition of the Executive Board. The Supervisory Board is committed to in the selection of Executive Board members and takes into account female candidates. However, currently all members of the Executive Board are male. It is intended to increase attention to female candidates with a view to the future appointment of potential successors of the current members of the Executive Board. However, the Supervisory Board takes the view that the decisive factor shall always be the personal and professional qualification of a candidate.
- No. 7.1.2 sentence 3 (time limits for publication of the consolidated financial statements / interim reports): For organizational reasons, the Company will be unable to comply with the time limits as per the Code recommendations for the publication of interim reports of the current and, most likely, the following fiscal year. As soon as practically and organizationally possible, the Company intends to comply with the lime limits as per the Code recommendations. The recommended time limits for the annual report will be met for the financial year 2017 and the following financial years.”

Neu-Isenburg, 4 December 2017

JOST Werke AG

The Management Board

The Supervisory Board

DISCLOSURES ON CORPORATE MANAGEMENT PRACTICES

The main aspects of the internal control and risk management system relevant for the consolidated financial reporting process are described in the combined management report in accordance with sections 289 (4) and 315 (4) HGB.

Operating a commercially viable business while at the same time taking responsibility for employees, society and environment is at the heart of the JOST Group's philosophy. Responsible interaction with customers, suppliers, employees and society form the basis for its business relationships. JOST complies with all statutory requirements and also voluntarily assumes ethical principles. These requirements and principles are a key element of compliance management and have been defined in the Company's internal Code of Conduct.

Our Code of Conduct was adopted in April 2017. It is applicable to all regions and segments. The principles set out in the Code of Conduct provide an essential foundation for day-to-day activities. They give all executives and employees worldwide clear recommendations for action and convey the values and principles of the JOST Group. Respect for human rights, repudiation of child and forced labor, and the Company's understanding of diversity and inclusion are anchored in the Code of Conduct. JOST does not tolerate violations of internal guidelines and statutory provisions. Tip-offs and

complaints relating to human rights violations, corruption and bribery can be reported to the internal Compliance Officer or submitted anonymously via a whistleblower system.

The Code of Conduct is publicly accessible on the intranet as well as on the Company's website (<https://www.jost-world.com/en/sustainability/code-of-conduct.html>).

In JOST's general terms and conditions of purchase, the Company also requires that its suppliers observe the ten universally recognized principles of the UN Global Compact concerning human rights, labor standards, environmental protection and the fight against corruption.

WORKING PRACTICES OF THE MANAGEMENT AND SUPERVISORY BOARDS

As a listed German stock corporation, JOST Werke AG has a dual management and supervisory structure with a strict separation of the two boards responsible for managing and supervising the Company. A member of the Management Board cannot be a member of the Supervisory Board at the same time.

MANAGEMENT BOARD

The Management Board of JOST Werke AG is responsible for managing the Company and the Group. It comprises three members. The Management Board defines the corporate objectives and determines the strategic direction of the Group and its operating segments. It manages and supervises the course of business, plans and allocates company resources, monitors operational management, and ensures appropriate risk management. The rules of procedure for the Management Board govern the principles for management and collaboration within the Management Board. The members of the Management Board are bound to observe the Company's best interests. No member of the Management Board may pursue personal interests in their decisions or exploit for themselves business opportunities to which the Company or a dependent company is entitled. Each member of the Management Board must immediately inform the Supervisory Board of any conflicts of interest that arise and inform the other Management Board members of these.

The Management Board involves the Supervisory Board in all decisions of fundamental importance to the Company and informs the Supervisory Board without delay and comprehensively about all issues that are relevant to the Company and the Group regarding strategy, planning, business development, the risk situation, risk management and compliance. In addition, the Articles of Association and the rules of procedure for the Management Board define the transactions or types of transactions requiring the approval of the Supervisory Board.

The Management Board has not established any committees for performing its duties.

The responsibilities of the board members are as follows:

Members of the Management Board	Lars Brorsen (CEO)	Dr. Ralf Eichler (COO)	Christoph Hobo (CFO)
Key responsibilities	Marketing and sales Quality and the environment Human resources Research & development	Purchasing Production Logistics	Finance and treasury Accounting and reporting Controlling IT Legal and compliance Investor relations

SUPERVISORY BOARD

The Supervisory Board appoints, monitors and advises the members of the Management Board in their management of the Company. It appoints and dismisses the members of the Management Board and regularly examines the structure and amount of their remuneration. The Supervisory Board also reviews the annual and consolidated financial statements and the combined management report of the Company and the Group. With its approval, the financial statements are adopted.

The Supervisory Board has adopted its own rules of procedure that, together with the Company's Articles of Association and current legislation, govern the work of the Supervisory Board. In the performance of its duties, the Supervisory Board collaborates closely with the Management Board in a spirit of trust for the good of the Company. The Chairman of the Supervisory Board is in regular contact with the Management Board, particularly the Chief Executive Officer, on current business issues.

In accordance with the Articles of Association, the Supervisory Board of JOST Werke AG is composed of six members. In its rules of procedure, the Supervisory Board has determined that none of its members should be older than 75 years of age at the time of their appointment. Members of the Supervisory Board shall not be members of governing bodies of, or exercise advisory functions at, significant competitors of the Company. The Chairman must be informed of any conflicts of interest. The Chairman of the Supervisory Board is required to notify the Supervisory Board or the Executive and Nomination Committee of any conflicts of interest. No conflicts of interest were reported in fiscal year 2017. CVs of the current members of the Supervisory Board can be found at <http://ir.jost-world.com/supervisory-board>.

The Supervisory Board meets at least twice in the first half and at least twice in the second half of each calendar year. Other meetings are convened as required. Following its appointment on June 23, 2017 (as a consequence of the change in legal form from a limited liability company under German law (GmbH) to a German stock corporation (AG)), the Supervisory Board convened to three plenary

sessions. In addition, three committee sessions also took place as physical meetings. All members attended more than half of the meetings of the Supervisory Board and the committees of which they are members. Further information is provided in the Report of the Supervisory Board for fiscal year 2017.

The Supervisory Board reviews the efficiency of its activities on a regular basis, but at least once every two years. The first efficiency review must take place when the Supervisory Board has worked together for at least two years. This was not yet the case in fiscal year 2017.

For the performance of its duties, the Supervisory Board of JOST Werke AG established two committees:

Executive and Nomination Committee

Members: Manfred Wennemer (Chair), Prof. Bernd Gottschalk, Rolf Lutz

The Chairman of the Supervisory Board is also the Chairman of the Executive and Nomination Committee.

Main responsibilities:

- Preparation of resolutions for the appointment or revocation of the appointment of members of the Management Board
- Preparation of employment contracts with members of the Management Board
- Preparation of resolutions on the structure of the Management Board remuneration system
- Identification of suitable candidates for the Supervisory Board
- Preparation of proposals to the General Meeting for the election of Supervisory Board members

Audit Committee:

Members: Jürgen Schaubel (Chair), Natalie Hayday, Klaus Sulzbach

The Chairman of the Audit Committee is elected by the Supervisory Board and must not be the Supervisory Board Chairman. He shall also be the finance expert within the meaning of Section 100 (5) and Section 107 (4) of the Aktiengesetz (German Stock Corporation Act – AktG).

Main responsibilities:

- Monitoring of the accounting, the financial reporting process, the effectiveness of the internal control system, the risk management system, the internal auditing system, the financial statement auditing, in particular the independence of the auditor
- Issuance of the audit engagement to the auditors, granting of approval for additional services to be covered by the audit engagement, and definition of key audit areas
- Preparation of resolutions by the Supervisory Board on the adoption and approval of the consolidated and annual financial statements
- Monitoring of observation of and compliance with the legal requirements and Group policies by the Group companies
- Preparation of a substantiated recommendation for the election of the auditor

REMUNERATION OF MANAGEMENT BOARD AND SUPERVISORY BOARD

The remuneration of the members of the Management Board and the Supervisory Board are proportionate to their duties and the responsibility assigned to them. The Management Board's remuneration system as well as the compensations paid to the Management and the Supervisory Board in fiscal year 2017 are published in the Remuneration Report, which is part of the chapter "Corporate Governance" in the Annual Group Report 2017.

There are currently no stock and option programs or similar securities-based incentive systems.

SHARE OF WOMEN ON THE SUPERVISORY AND MANAGEMENT BOARDS AND IN THE MANAGEMENT LEVELS BELOW THE MANAGEMENT BOARD

In accordance with Section 111 (5) AktG, the Supervisory Board of JOST Werke AG laid down targets for the share of women on the Supervisory Board and Management Board of JOST Werke AG.

By the end of the Annual General Meeting that votes on the approval of the actions of the Supervisory Board for fiscal year 2020, the share of women in the Supervisory Board is to fulfill the target of 1:6 or 17%. This target was reached in 2017. The minimum quota of 30% in accordance with Section 96 (2) and (3) does not apply to the Supervisory Board of JOST Werke AG.

When selecting Management Board members, the Supervisory Board takes care to ensure diversity and considers female candidates. The three-person Management Board currently consists exclusively of men, however. Thus, the Supervisory Board formally resolved to set the existing quota of 0:3 or 0% as a target up until the end of the Annual General Meeting that votes on the approval of the actions of the Management Board for fiscal year 2020. For future appointments, the Supervisory Board will try to appoint female candidates as Management Board members as well. However, the Supervisory Board believes that a decision on Management Board appointments should always be based on the suitability of the candidate from a personal and professional perspective.

In fiscal year 2017, the share of women in management positions throughout the Group at the two management levels below the Management Board rose to 8% (previous year: 7%). The Management Board is striving to achieve a balance between genders at all employee levels. As JOST's business focuses heavily on technical professions, in which women are still underrepresented in both higher education and the application process, the latter presents a challenge when filling jobs.

In accordance with Section 76 (4) AktG, the Management Board laid down a target of 10% for the share of women throughout the Group in the two management levels below the Management Board which is to be reached by December 31, 2020.

At JOST Werke AG, the share of women in management positions below the Management Board in the reporting period was 33%. At the single entity JOST Werke AG, the Management Board will maintain the target of 30% until December 31, 2020.

DIVERSITY CONCEPT FOR THE MANAGEMENT BOARD

When appointing members of the Management Board, the Supervisory Board pays particular attention to personal suitability and professional qualifications. In addition, the Supervisory Board considers other aspects such as age, gender, educational background or work experience in an effort to achieve a high degree of diversity. The JOST Group's strong international presence must also be taken into account in the appointment of Management Board members. Different age groups should be appropriately represented on the Management Board. In the selection of Management Board members, special consideration must also be given to female candidates. Moreover, members of the Management Board must have as broad an educational background and work experience as possible. Nonetheless, the Company does not follow a concrete and rigid concept of diversity as the promotion of diversity cannot be promoted by a uniform system.

Status of implementation

There are currently no women in the Management Board. The Management Board in its present composition satisfies all other desired diversity requirements. All members of the Management Board have international work experience. Two members have German nationality, while one member is Danish. The Management Board has a balanced age structure, which means the perspectives and experience of different generations are well represented. At the reporting date, the members of the Management Board were 40, 53, and 65 years old. In addition, the educational background and work experience of the different Management Board members varies. You can find more information on the career and work experience of the members of the Management Board of JOST Werke AG online at <https://www.jost-world.com/management-board>

DIVERSITY CONCEPT, COMPETENCE PROFILE AND COMPOSITION GOALS OF THE SUPERVISORY BOARD

First and foremost, the composition of the Supervisory Board has to ensure that its members collectively have the knowledge, skills and professional expertise required to properly perform all duties. In particular, its goal is that the members of the Supervisory Board have knowledge in the following areas: governance and leadership of international companies, industry knowledge in the automotive supply industry, finance, risk management as well as governance and compliance. The Supervisory Board must also include what it considers to be an appropriate number of independent members.

Furthermore, when proposing candidates for election to the Supervisory Board, the Supervisory Board takes international experience and diversity into account. Without proposals of individual candidates being exclusively dependent on this, the Supervisory Board strives to make its composition as balanced and diverse as possible with variety in the diversity requirements such as gender, age, education and work experience.

Status of implementation

None of the members of the Supervisory Board has a personal or business relationship with the Company, its governing bodies, a controlling shareholder or a company affiliated with the controlling

shareholder that may cause a conflict of interest. Thus, all members of the Supervisory Board are independent.

The Supervisory Board of JOST Werke AG consists of five men and one woman. At the reporting date, the members of the Supervisory Board were aged between 41 and 74, with a relatively balanced distribution of members between the different age groups. All members have worked abroad at some stage in their career. The educational background and work experience of the Supervisory Board members also covers a broad spectrum. You can find a curriculum vitae for each Supervisory Board member supplemented by an updated overview of the member's seats on other Supervisory Boards or comparable supervisory bodies online at <http://ir.jost-world.com/supervisory-board>.

SHARE TRANSACTIONS AND SHAREHOLDINGS OF GOVERNING BODIES

In accordance with Article 19 of the European Market Abuse Directive, members of the Management and Supervisory Boards and related parties are required to report their transactions with shares of JOST Werke AG or associated financial instruments to the Federal Financial Supervisory Authority (BaFin) and to JOST Werke AG as soon as the total of the transactions conducted in a single calendar year exceeds the threshold of €5,000.

JOST Werke AG duly disclosed all transactions reported to it in fiscal year 2017. These can be found on the Company's website. → <http://ir.jost-world.com/managers-transactions>.

As of the reporting date of December 31, 2017, the members of the Supervisory Board did not hold any shares of JOST Werke AG. At the same time, members of the Management Board held a combined total of 2% of the Company's shares.