



CORPORATE GOVERNANCE STATEMENT 2021

The Executive Board and Supervisory Board make the Corporate Governance Statement jointly and are each responsible for the sections of the report concerning them. In this process, they prepare a combined Corporate Governance Statement for JOST Werke AG and the JOST Werke Group.

The combined statement includes the declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz – “AktG”), disclosures on key corporate governance practices and the working practices and composition of the Supervisory Board and Executive Board, including disclosures on the corporate governance of the company, the diversity concept for the Supervisory Board and Executive Board, and the statutory provisions for the equal participation of women and men in management positions.

DECLARATION OF COMPLIANCE PURSUANT TO SECTION 161 GERMAN STOCK CORPORATION ACT (AKTIENGESETZ) WITH RESPECT TO THE GCGC

The Executive Board and Supervisory Board closely examined the applicability of the recommendations of the GCGC 2020 to JOST Werke AG and the JOST Werke Group. They issued the following declaration in accordance with Section 161 AktG on December 2, 2021:

“The Executive Board and Supervisory Board now declare that the recommendations of the GCGC have been complied with since the Declaration of December 2, 2020 until March 18, 2021 and since March 18, 2021 until the present day, with the exceptions stated in the respective Declarations of Compliance, and that JOST Werke AG will continue to comply with the recommendations of the GCGC in the future with the following exceptions:

- Recommendation B.1: As a precautionary measure, a deviation from the recommendation regarding the composition of the board of directors is declared. The Supervisory Board pays attention to diversity when selecting members of the Board of Executive and has passed a quota of 25% female members for the Executive Board. At the same time, the Supervisory Board is of the opinion that the decisive factor for an appointment to the Executive Board should always be the personal and professional qualifications of the candidates.
- Recommendation D.8: Insofar as individual members of the Supervisory Board or its committees did not participate in meetings of the Supervisory Board or the relevant committees in the past, they did exclusively so for important and comprehensible reasons. In such cases, these members were subsequently informed about the meeting proceedings. Therefore, the Supervisory Board considers it inappropriate to single out such members by name in its report.
- Recommendation G.3: The Supervisory Board shall assess whether the remuneration of Executive Board members is appropriate based on an external comparison with the remuneration of members of management boards of comparable companies. The Supervisory Board made a deliberate decision not to define a fixed and static peer group, as the Supervisory Board is of the opinion that making such a link with a specifically defined peer group may lead to inappropriate outcomes.
- Recommendation G.4: When assessing whether the remuneration is appropriate, the Supervisory Board shall take account of the circumstances within the company itself. The Supervisory Board made a deliberate decision not to define a fixed group of senior managers, as the Supervisory Board is of the opinion that such a definition would not be appropriate in view of the heterogeneity of the



remuneration structure within the company as a whole and internal remuneration practices within the company.

- Recommendation G.8: The Supervisory Board may make a positive or negative adjustment to all variable remuneration components if it is of the opinion that the respective variable remuneration components calculated do not appropriately reflect the company's business performance, the achievement of its strategic objectives and/or the Executive Board member's contribution thereto owing to extraordinary developments. The Supervisory Board has decided not to exclude the possibility of making retroactive adjustments to target values or comparison parameters, as such an exclusion may lead to inappropriate outcomes.
- Recommendation G.11 sentence 2: The remuneration system shall specify that the Supervisory Board can stipulate in the Executive Board members' employment contracts that variable remuneration components may be retained or reclaimed in narrowly defined cases (compliance clawback; performance clawback). The existing employment contracts of Executive Board members Joachim Dürr, Dr. Christian Terlinde and Dr. Ralf Eichler currently do not include such a possibility.

Neu-Isenburg, December 2, 2021

JOST Werke AG
The Executive Board

The Supervisory Board

All Declarations of Compliance since the IPO of JOST Werke AG in fiscal year 2017 can be found on JOST's website under <http://ir.jost-world.com/declaration-of-compliance>

DISCLOSURES ON CORPORATE MANAGEMENT PRACTICES

Responsible interaction with customers, suppliers, employees, and society form the basis for JOST's business relationships. The company meets all regulatory requirements in addition to the ethical principles it has subscribed to of its own accord.

Main features of the Compliance Management System

The aim of compliance management at JOST is to ensure all of the group's activities conform with the law. Lawful and responsible conduct as well as respect for human rights are firmly anchored within our company. By living our values within the company, we create confidence among our customers, business partners, shareholders, and the general public. By doing so, we are ensuring our company's success over the long term.



The Executive Board bears overall responsibility for compliance with laws, standards and principles within the group and reports to the Supervisory Board in this regard. When performing its obligations, the Executive Board is required to delegate the relevant duties to various functions within the JOST Werke Group.

The Chief Compliance Officer (CCO) monitors and checks compliance with laws, standards and internal policies within the group (compliance), using the compliance management system to support employees to act with integrity and adhere to the rules. He/she is appointed by the Executive Board and reports directly to the Chief Financial Officer. In addition, he/she is responsible for the compliance management system and advises the Executive Board on any compliance issues.

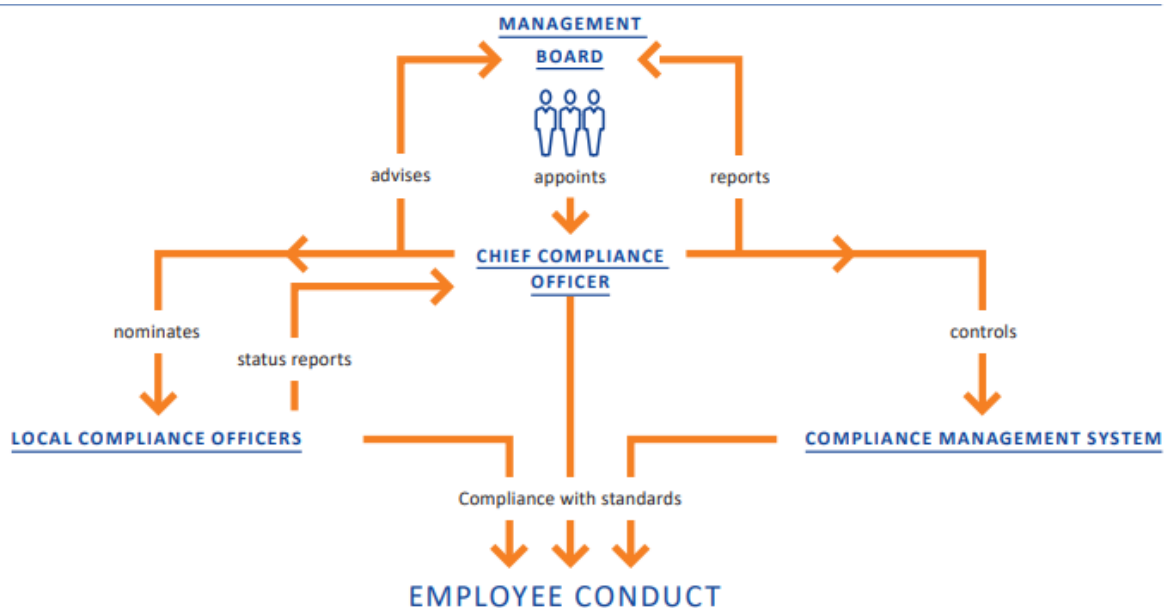
The CCO nominates the local compliance officers at the subsidiaries, reviews compliance at JOST on an ongoing basis and proposes general compliance objectives and individual compliance-related measures to be implemented at JOST and its subsidiaries to the Executive Board. He/she also manages the process and possible investigative measures in the event of reports or identification of potential compliance incidents.

The local compliance officers support the CCO with all compliance-related communication at local level as well as the introduction of specific compliance measures at the subsidiaries. The local compliance officers report to the CCO regularly on the status and progress of the compliance measures introduced at the respective subsidiaries as well as on the occurrence of any compliance incidents. A key task of the local compliance officers and the CCO is to serve as a contact for all employees at the respective local unit regarding any compliance-related issues.

Code of Conduct

JOST works in line with the recommendations of the Universal Declaration of Human Rights of the United Nations, the core labor standards of the International Labour Organization (ILO), and the OECD Guidelines for Multinational Enterprises as well as the UN Convention on the Rights of the Child. The company's internal Code of Conduct and the statutory requirements defined there as well as the ethical principles JOST has subscribed to of its own accord are key elements that form the basis of our compliance management system.

The Code of Conduct of JOST Werke AG 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 JOST. Respect for human rights, rejection 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. All employees receive the Code of Conduct when joining the company and have to confirm they have received and understood it. All other employees have already received training on the Code in previous years. In this way, we are able to ensure every employee has knowledge of its contents.

Tip-offs and complaints relating to human rights violations, corruption, and bribery can be reported to the Chief Compliance Officer or the local compliance officers. They can also be submitted anonymously via a whistleblower system either online or by phone in the local language.

The Code of Conduct is publicly accessible on the intranet and on the company's website (<https://www.jost-world.com/en/corporate/responsibility/compliance.html>).

Supplier Code of Conduct

Aside from monitoring at our own locations, we also want our suppliers to comply with sustainability standards, labor standards, and human rights. We expect our business partners along the entire value chain to behave in a law-abiding manner and with integrity and see this as a key requirement for successful business relationships over the long term.

Our requirements of suppliers are contained in the Supplier Code of Conduct, which was adopted in 2018. It is mandatory for new contractual relationships and is also incorporated into existing relationships. The Supplier Code of Conduct is available on our website (<https://www.jost-world.com/en/corporate/responsibility/compliance.html>).

In the "2021 Sustainability Report," JOST provides detailed information on the management approach it follows as well as on existing programs and programs it has introduced, and the progress achieved in fiscal year 2021.

Internal control and risk management system

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.

WORKING PRACTICES OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

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 Executive Board cannot be a member of the Supervisory Board at the same time.

EXECUTIVE BOARD

The Executive Board of JOST Werke AG is responsible for managing the company and the group. It comprises three members. The Executive Board has not formed any committees to perform its duties. The age limit at the time of the appointment of new Executive Board members or the extension of existing mandates has been specified as 65 years.

The Executive 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



Executive Board govern the principles for management and collaboration within the Executive Board. The members of the Executive Board are bound to observe the company’s best interests. No member of the Executive Board may pursue personal interests in their decisions or exploit business opportunities to which the company or a dependent company is entitled for their own purposes. Each member of the Executive Board must immediately inform the Supervisory Board of any conflicts of interest that arise and inform the other Executive Board members of these.

The Executive Board involves the Supervisory Board in all decisions of fundamental importance to the company and comprehensively notifies the Supervisory Board without delay of 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 Executive Board define the transactions or types of transactions requiring the approval of the Supervisory Board.

Members of the Executive Board	Departmental responsibilities
Dürr, Joachim (CEO)	Sales, Strategy and Business Development, Research and Development, Human Resources, Marketing, Communications
Dr. Eichler, Ralf (COO)	Procurement, Production, Logistics, Quality, Industrial Engineering
Dr. Terlinde, Christian (CFO)	Finance and Treasury, Group Accounting and Reporting, Controlling, IT, Legal & Compliance, Investor Relations, Internal Audit, Sustainability (ESG)

Together with the Executive Board, the Supervisory Board ensures that there is long-term succession planning for the Executive Board. Taking into account the requirements of the German Stock Corporation Act (Aktengesetz – “AktG”) and the GCGC, the Supervisory Board and Executive Board jointly define criteria such as qualification requirements, diversity, experience abroad, and industry experience that potential Executive Board members are to meet.

None of the members of the Executive Board has a Supervisory Board mandate in a listed company outside the group or performs a comparable function.

SUPERVISORY BOARD

The Supervisory Board appoints, monitors, and advises the members of the Executive Board on their management of the company. It appoints and dismisses the members of the Executive Board. The Supervisory Board regularly examines the appropriate remuneration for the Executive Board, and sets on a yearly basis the targets for the upcoming fiscal year, which are the basis to determine the variable remuneration components for the Executive Board members. The Supervisory Board also reviews the annual and consolidated financial statements and the combined management report and the non-financial 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 with the Executive Board closely in a spirit of trust for the good of the



company. The Chairman of the Supervisory Board is in regular contact with the Executive 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. In this context, it is pointed out that an exception will be made to this rule during the new elections to the Supervisory Board, which will take place at the Annual General Meeting in 2022, as the re-election of Prof. Dr. Gottschalk for a further term of office of one year is being proposed.

Members of the Supervisory Board shall not be members of governing bodies of, or exercise advisory functions at, major competitors of the company. Conflicts of interest must be disclosed to the Chairman. 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 2021. CVs of the current members of the Supervisory Board can be found at <https://www.jost-world.com/en/corporate/company/supervisory-board.html>. The rules of procedure for the Supervisory Board can be found on the JOST Werke AG website under the following link: <https://www.jost-world.com/en/corporate/investor-relations/corporate-governance.html>

The Supervisory Board meets at least twice in each half of each calendar year, including without the Executive Board. Other meetings are convened as required. The Supervisory Board convened on a total of seven occasions in fiscal year 2021, including five times at face-to-face meetings and twice by way of written circulation. All of the Supervisory Board members attended all meetings and resolutions. The attendance rate was 100% overall.

The members of the General and Nominating Committee met a total of eight times in fiscal year 2021, including three face-to-face meetings and five conference calls. The attendance rate was 100% for all three members of the committee.

The Audit Committee met a total of nine times in fiscal 2021, of which four times in face-to-face meetings and five times in conference calls. All three committee members attended all meetings. The participation rate was therefore 100%.

All members of the Supervisory Board attended all meetings and teleconferences of the Supervisory Board and committees of which they are members. Further information is provided in the Report of the Supervisory Board for fiscal year 2021, which is part of the 2021 annual report.

Self-assessment

The Supervisory Board reviews the efficiency of its activities on a regular basis, but at least once every two years. The regular self-assessment of the Supervisory Board on the effectiveness of its task fulfillment was carried out in the 2020 financial year., In fiscal year 2021, the resulting recommendations for action and proposals were discussed and further implemented. The next self-assessment is scheduled for fiscal year 2022.

Independence

All members of the Supervisory Board are independent within the meaning of the GCGC. None of the members of the Supervisory Board has a personal or business relationship with the company, the Executive Board, or a controlling shareholder. None of the members of the Supervisory Board has been a member of the Supervisory Board for more than five years. None of the members of the Supervisory Board has previously been on the Executive Board of the company. None of the members of the Supervisory Board are members of governing



bodies or exercise advisory functions at significant competitors or hold any personal relationships with a significant competitor.

Supervisory Board committees

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. Dr. Bernd Gottschalk, Rolf Lutz

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

Key duties:

- Identification of suitable candidates for the Executive Board
- Succession planning for the Executive Board and preparation of a profile of skills and expertise for the Executive Board
- Preparation of resolutions for the appointment or revocation of the appointment of members of the Executive Board
- Preparation of employment contracts with members of the Executive Board
- Preparation of resolutions on the structure of the Executive Board remuneration system
- Identification of suitable candidates for the Supervisory Board
- Preparation of proposals to the Annual General Meeting for the election of Supervisory Board members

Audit Committee:

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

The Chair of the Audit Committee is elected by the Supervisory Board and must not be the Supervisory Board Chairman. The Chair should have specialist knowledge and expertise in the application of accounting principles and internal control procedures. They should be familiar with the auditing of financial statements and be independent so as to fulfill their supervisory duties in the fields of accounting or auditing as defined by Sections 100 (5) and 107 (4) (AktG).

Key duties:

- Supervising accounting, the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of the financial statements, and especially the independence of the auditor
- Awarding the audit assignment to the auditors, granting approval for additional services to be covered by the audit assignment and defining key audit areas
- Preparing resolutions by the Supervisory Board on the adoption and approval of the consolidated and annual financial statements
- Monitoring observation of and adherence to the legal requirements and group policies by the group companies (compliance)
- Preparing a substantiated recommendation for selection of the auditor

Profile of skills and expertise for the Supervisory Board and objectives for its composition

The Supervisory Board amended the objectives for its composition in December 2020 in accordance with the recommendations of GCGC 2020. The share of women on the Supervisory Board is to be at least 17% (1:6). In its election proposals to the Annual General Meeting, the Supervisory Board continues to pursue the aim of considering candidates who possess international knowledge and experience due to their background, education, or professional activities.

The Supervisory Board as a whole is to be a competent advisor to the Executive Board and possess sufficient expertise in the following areas:

Profile of skills and expertise for the Supervisory Board	Manfred Wennemer	Prof. Dr. Gottschalk	Natalie Hayday	Jürgen Schaubel	Rolf Lutz	Klaus Sulzbach
Industry knowledge	X	X		(X)	X	X
automotive	X	X		(X)	X	X
agriculture					X	
Corporate governance and strategy	X	X		X	X	
Accounting and auditing		X	X	X		X
Risk management	X	X		X	X	X
Controlling		X		X		X
Financial and capital market	X	X	X	X		X
Law				X		X
Compliance and corp. governance	X	X	X	X	X	X
International experience	X	X	X	X	X	X
Sustainability/CSR		X	X	X	X	X
Technology/digitalization	X	X		X	(X)	
Innovation, Research and Development	X	X			X	

The current composition of the Supervisory Board meets these objectives and fulfills the profile of skills and expertise. The Supervisory Board will take appropriate account of the profile of skills and expertise and its objectives in its election proposals to the Annual General Meeting.

REMUNERATION OF EXECUTIVE BOARD AND SUPERVISORY BOARD

The remuneration of the members of the Executive Board and Supervisory Board is proportionate to their duties and the responsibility assigned to them.

The remuneration report for the financial year 2021, including the auditor's report pursuant to Section 162 AktG, the compensation system for the Management Board approved by the Annual General Meeting 2021, and the resolution of the Annual General Meeting 2021 confirming the compensation system for the Supervisory Board set out in the Articles of Association of the Company are available on the Company's website at <https://ir.jost-world.com/verguetung>. The compensation report is also printed in the management report for the financial year 2021.



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

In accordance with Section 111 (5) AktG, the Supervisory Board of JOST Werke AG set targets for the share of women on the Supervisory Board and Executive 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 2025, the share of women in the Supervisory Board is to meet the target of 1:6, or 17%. This target was reached in fiscal year 2021. The minimum quota of 30% in accordance with Section 96 (2) and (3) AktG does not apply to the Supervisory Board of JOST Werke AG.

When selecting Executive Board members, the Supervisory Board takes care to ensure diversity and considers female candidates. However, the Supervisory Board believes that a decision on Executive Board appointments should always be based on the personal and professional suitability of the candidate. In December 2021, the Supervisory Board resolved a target of 25% for the share of women on the Executive Board. This is to be met by December 31, 2025.

The Executive Board is striving to achieve a balance between genders at all employee levels. Since JOST's business focuses heavily on technical professions, in which women are still underrepresented in both higher education and the application process, an increase in the number of women employed in the group presents a challenge. The proportion of women throughout the group in fiscal year 2021 increased to 15% (2020: 14%). The Executive Board has resolved in 2020 to increase the groupwide share of women in management positions at both levels of management under the Executive Board to 15% by December 31, 2025, so that this is in line with the overall proportion of women in the group. The groupwide share of women in management positions at both levels of management under the Executive Board rose to 16,2% in 2020 (2020: 10,8%). JOST has therefore already achieved the target defined in accordance with Section 76 (4) AktG.

At JOST Werke AG (as single entity), the share of women in management positions below the Executive Board was 25% in the reporting period (2019: 25%). At the parent company of the group the proportion of women at management level below the Executive Board also increased in the year under review to 30%. It has thus reached the 25% target set for the AG..

DIVERSITY CONCEPT FOR THE EXECUTIVE BOARD

When appointing members of the Executive 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. JOST's strong international presence must also be taken into account in the appointment of Executive Board members. Different age groups should be appropriately represented on the Executive Board. Special consideration should also be given to female Executive Board candidates. Moreover, members of the Executive 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 since the promotion of diversity cannot be achieved by using a standardized system.

Status of implementation

There are currently no women on the Executive Board. All three members of the Executive Board have international work experience. All three members have German citizenship. As of the reporting date, the current



members of the Executive Board were 49, 56 and 57 years old. The educational background and work experience of the different Executive Board members varies. You can find more information on the careers and work experience of the members of the Executive Board of JOST Werke AG online at <https://www.jost-world.com/en/corporate/company/executive-board.html>.

DIVERSITY CONCEPT FOR 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 their duties. In particular, it aims to ensure that its members as a whole fulfill the profile of skills and expertise resolved by the Supervisory Board.

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 ensure its composition is as balanced and broadly diverse as possible and satisfies the diversity requirements, e.g. gender, age, education, and work experience.

Status of implementation

The Supervisory Board of JOST Werke AG consists of five men and one woman. As of the reporting date, the members of the Supervisory Board were aged between 45 and 78, with a relatively balanced distribution of members between the different age groups. All members gained international experience during their professional life. The educational background and work experience of the Supervisory Board members also covers a broad spectrum. You can find a current curriculum vitae for each Supervisory Board member, supplemented by an updated overview of the member's seats on other Supervisory Boards or comparable control committees online at <http://ir.jost-world.com/supervisory-board>.

DUTY TO REPORT TRANSACTIONS IN SECURITIES AND SHAREHOLDINGS OF GOVERNING BODY MEMBERS

In accordance with Article 19 of the European Market Abuse Directive, members of the Executive Board and Supervisory Board 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 EUR 20,000.

JOST Werke AG duly disclosed all transactions reported to it in fiscal year 2021. These can be found on the company's website. → <http://ir.jost-world.com/managers-transactions>.

As of the reporting date of December 31, 2021, the members of the Supervisory Board and Executive Board held less than 1% of the shares of JOST Werke AG in total.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

Shareholders exercise their rights at the Annual General Meeting. Each share of the company confers one vote. Shareholders may exercise their right to vote at the Annual General Meeting either themselves, via an authorized person of their choice, or via a proxy appointed by the company and bound to vote in accordance with instructions. Due to the pandemic, the 2021 Annual General Meeting was held virtually again in accordance with the statutory provisions applicable in Germany. Shareholders had the opportunity to submit their questions electronically up until to one day before the Annual General Meeting. They had the opportunity by postal vote



or via the voting proxies appointed by the Company to cast their votes online through the virtual portal of the Annual General Meeting or by postal vote, fax or email. It was possible to follow the whole of the Annual General Meeting live on the company's Annual General Meeting portal. Owing to the ongoing pandemic, the Executive Board and Supervisory Board resolved that the 2022 Annual General Meeting will also be held as a virtual event in accordance with the statutory provisions applicable at that time.