

## Corporate governance report

The following corporate governance reports refers to disclosures made in accordance with § 289f (2) No 1, 4 – 6 and § 315d HGB.

Good corporate governance implies the responsible management and control of corporate enterprises oriented towards long-term value creation. The aim of corporate governance is to promote the trust of shareholders and investors, the financial markets, business partners, employees and the general public in the company, thereby also increasing the value of the company on a sustainable, long-term basis. The executive and supervisory boards of CropEnergies AG are committed to the principles of good corporate governance. CropEnergies fulfils the most stringent transparency requirements on German stock exchanges. Accordingly, the CropEnergies share has been listed in the Prime Standard since 2006. Compliance with the German Corporate Governance Code underlines the commitment to transparent corporate management.

In CropEnergies' view, the German Corporate Governance Code as amended on 16 December 2019\* is largely balanced, practical and of a high standard when compared internationally. As in previous years, we have thus not found it necessary to prepare individual, company-specific corporate governance principles.

### Declaration of conformity for 2020

In November 2020, executive board and supervisory board issued the declaration of conformity with the recommendations of the German Corporate Governance Code as amended on 7 February 2017 and 16 December 2019, pursuant to § 161 AktG.

CropEnergies AG complies with the recommendations with the assumptions presented in the declaration of conformity. There are no Code recommendations that

are not applicable to CropEnergies AG on the grounds of overriding statutory provisions. CropEnergies AG complies with the suggestions of the applicable Code with one exception: contrary to suggestion G.18, the supervisory board compensation does not consist in pure fixed compensation.

As with declarations of conformity issued in previous years, the full wording of the declaration of conformity for 2020 is published on the CropEnergies website at [www.cropenergies.com](http://www.cropenergies.com) on the Investor Relations/ Corporate Governance pages.

### Gender quota

The Stock Corporation Act makes provision for listed companies to define target figures for supervisory board, executive board and the two management levels below executive board. CropEnergies AG is affected by this, but is not affected by the introduction of a fixed gender quota of 30% in the supervisory board; this applies to listed companies that are also equally represented. CropEnergies is not a co-determined company.

At its meeting on 16 May 2017, the supervisory board, taking all relevant criteria and particularly the current and expected future status quo into account, determined the target for the proportion of women in the supervisory board up to 15 May 2022 to be the "retention of zero %".

At its meeting on 16 July 2019, the supervisory board, likewise taking all relevant criteria and particularly the current and expected future status quo into account, determined the target for the proportion of women in the executive board up to 15 May 2022 to be the "retention of zero %". At its meeting on 15 May 2017, the executive board decided as a target specification that the proportion of women at management level below the executive board (owing to its flat hierar-

\* The version of 16 December 2019 entered into force on publication in the German Federal Gazette on 20 March 2020.

chies, CropEnergies AG has only one management level below the executive board) should be retained at 20% until 14 May 2022.

#### **Training and professional development**

The members of the supervisory board take responsibility for undertaking any training or professional development measures necessary to fulfil their duties. They receive appropriate support from CropEnergies in this regard:

An information event on corporate governance issues involving an external specialist lawyer was again held in the 2020/21 financial year.

#### **Code of conduct and guiding principles**

CropEnergies has prepared a code of conduct and guiding principles. These are published on the CropEnergies website at [www.cropenergies.com](http://www.cropenergies.com) under "Company".

#### **Compensation report**

The compensation of the **executive board** of CropEnergies AG is determined by the supervisory board and is reviewed at regular intervals. The current compensation system is oriented to the company's long-term performance and consists of

1. a fixed annual salary,
2. variable annual compensation, depending on
  - a) the achievement of agreed targets and
  - b) the operating profit generated by the CropEnergies Group based on performance over several years serving as a long-term incentive (the basis, in each case, being the CropEnergies Group's average operating profit for the past three financial years),
3. non-monetary benefits mainly in the form of a company car for business and private use and contributions to social insurance, and

4. a company pension scheme, based on a percentage of the fixed annual salary.

There are no share-based compensation components or stock option plans.

The following table shows the salaries of executive board members, individualised for each member:

### Remuneration of the board of management

2020/21 €	Dr. Stephan Meeder (Executive board spokesman)	Jürgen Böttcher (from 1 May 2020)	Dr. Fritz Georg von Graevenitz	Joachim Lutz (until 14 July 2020)	Total
Fixed remuneration including benefits	242,503	166,387	180,492	121,420	710,802
Variable remuneration	166,559	116,265	120,916	87,388	491,128
<b>Total</b>	<b>409,062</b>	<b>282,652</b>	<b>301,408</b>	<b>208,808</b>	<b>1,201,930</b>
Pension expenses	69,966	33,809	20,022	0	123,797
Defined benefit obligations	1,258,228	1,378,443	185,640	3,037,028	5,859,339

### Remuneration of former board members

2020/21 €	Joachim Lutz (from 15 July 2020)	Michael Friedmann (from 1 March 2020)	Total
Fixed remuneration including benefits	200,291	106,227	306,518
Variable remuneration	147,384	24,494	171,878
<b>Total</b>	<b>347,675</b>	<b>130,721</b>	<b>478,396</b>

The defined benefit obligations for former members of the executive board amount to € 5.8 million.

The annual general meeting of CropEnergies AG had passed a resolution on 12 July 2016 to waive individual disclosure of executive board compensation for a period of five years. The company refrained from disclosing executive board members' individual compensation for the last time in the 2019/20 financial year.

The compensation of the **supervisory board** is set out in § 12 of the articles of association of CropEnergies AG. Each member of the supervisory board receives a fixed compensation of € 20,000, payable at the end of the financial year, and variable compensation at the rate of € 1,000 for each € 0.01, or part thereof, by

which the dividend paid per no-par-value share exceeds € 0.20, in addition to the reimbursement of their out-of-pocket expenses and the value-added tax they incur for their supervisory board activities. Tax-related special dividends are not considered in the compensation calculation. The chairman receives double and his deputy one-and-a-half times this compensation. The fixed compensation increases by 25% for each membership of a supervisory board committee; the rate of increase is 50% for the chairman of a committee. This presupposes that the relevant committee has convened in the financial year.

The following table shows the salaries of supervisory board members, individualised for each member:

2020/21 €	Fixed remuneration	Remuneration for committee work	Total remuneration
Prof. Dr. Markwart Kunz (Chairman)	70,000	17,500	87,500
Thomas Kölbl (Deputy Chairman)	52,500	35,000	87,500
Dr. Hans-Jörg Gebhard	35,000	0	35,000
Dr. Thomas Kirchberg (from 16 March 2020)	35,000	16,042	51,042
Franz-Josef Möllenberg	35,000	17,500	52,500
Norbert Schindler	35,000	0	35,000
<b>Total</b>	<b>262,500</b>	<b>86,042</b>	<b>348,542</b>

#### Financial loss liability insurance

The company has taken out financial loss liability insurance with a deductible which incorporates cover for the activities of the members of the executive board and the supervisory board (D&O insurance). § 93 (2) AktG stipulates that the deductible for executive board members must amount to at least 10% of the loss up to at least the level of one-and-a-half times the fixed annual compensation.

The current German Corporate Governance Code of 16 December 2019 no longer follows that as recommendation for the supervisory board members. The deductibles for the supervisory board members have therefore been omitted from the D&O insurance with effect from 1 March 2021.

#### Holdings of company shares by members of the executive board and supervisory board; reportable dealings in securities

No member of the executive board or the supervisory board holds shares of CropEnergies AG or related financial instruments directly or indirectly representing 1% or more of the share capital. Furthermore, the aggregate holdings of all executive board and supervisory board members are less than 1% of the shares issued by the company.

Members of the executive board and the supervisory board did not disclose any reportable dealings in securities to CropEnergies AG in the 2020/21 financial year.