

SUPERVISORY BOARD REPORT

Dear Shareholders,

The year 2021 was also characterised by the ongoing Covid-19 pandemic and its impact on society and the global economy. More than almost any other industry, the automotive supply industry was affected this financial year by the impact of the pandemic, disruption to the global supply chain and the resulting supply crisis. Nevertheless, LEONI has made large and important strides regarding transformation and restructuring, and the Supervisory Board has worked hand in hand with the Board of Directors here. Important decisions were taken on the future direction of the new LEONI, and its operating performance in the year of reporting was further steadied in comparison to the previous year, despite the adversities.

The focus of our work was the continuous monitoring of business operations, including progress in the VALUE 21 performance and strategy programme, which was regularly discussed by the Supervisory Board. In addition to operational development, we focused on the overall transformation of the Company. An essential part of this transformation was and is the sale of parts of the Company in the industrial business area and focusing on the automotive wiring systems business. Therefore, we regularly and comprehensively dealt with the divestment process, including approving the sale of LEONI Schweiz AG, parts of LEONI Kerpen GmbH, substantial parts of our fiber optics activities and Adaptricity AG. Finally, an important step in the gradual separation from the WCS division (Wire and Cable Solutions) was the sale of a large part of the Business Group Industrial Solutions, which was agreed in 2021 and completed in January 2022. This streamlining, together with the strategic focus on the Wiring Systems Division, will continue in 2022, representing a key milestone on the road to reducing LEONI AG's debt.

A further important element for the Group's sustainable operational recovery was, on the one hand, ensuring continuity with the appointment of the CEO role and, on the other, expanding the Board of Directors to include other important functions. In March 2021, we were already able to announce the contract extension of our CEO Aldo Kamper to 31 December 2026. At the same time, we

announced that Hans-Joachim Ziems would be leaving the Board of Directors as planned on 31 March 2021 after one year of service and that the position of Chief Restructuring Officer would no longer exist at Board of Directors level.

Within the context of an in-depth discussion, the Supervisory Board decided after thorough consideration that for a group of LEONI's size and complexity, it made sense and was necessary to establish a four-member Board of Directors team.

Given the huge strategic significance of LEONI's transformation, we decided to expand the Board of Directors team to include a Human Resources department and an Operations department. On 8 December 2021, we were thus able to announce that we will be filling the position of Chief Human Resources Officer (CHRO) and Labour Director with Dr Ursula Biernert and the position of Chief Operations Officer (COO) with Ingo Spengler at Board of Directors level as of 1 February 2022.

To our great regret, our Chief Financial Officer (CFO) and Labour Director Ingrid Jägering announced in July 2021 that she would not extend her Board of Directors mandate beyond 31 December 2022. As a result, we immediately started looking for a successor, concluding this search successfully in January 2022. Dr Harald Nippel will succeed Ingrid Jägering on 1 April 2022.

We are convinced that the future Board of Directors team will play a decisive role in creating the new LEONI.

Regarding the effectiveness and efficiency of our own work at Supervisory Board level, we have looked at the best possible focus of our work and the organisation of our processes and meetings as part of an externally supported self-assessment process. The measures and improvements derived from this process will be progressively introduced and reviewed.

Cooperation between the Executive and the Supervisory Board

In the past financial year, LEONI AG's Supervisory Board diligently and properly carried out the duties required of it by law, the Company's Articles of Association and the German Corporate Governance Code (*Deutscher Corporate Governance Kodex, „DCGK“*) and its Rules of Procedure, continually advising the Board of Directors on the management of the Company and constantly monitoring its work. The cooperation between the Supervisory Board and the Board of Directors was constructive, open and trust-based at all times. The Board of Directors kept us regularly, promptly and comprehensively informed, both in writing and verbally, about all issues relevant to LEONI. These included in particular the strategy,

planning and operational business performance, as well as the Group's current situation including risk, equity and liquidity. LEONI AG's financial situation was also regularly discussed, especially at the Special Committee's meetings. The Board of Directors explained in depth any unplanned operational deviations, as well as the impact of the pandemic on LEONI AG and its employees at LEONI facilities worldwide.

Furthermore, the Supervisory Board dealt intensively with corporate control processes, and regular reports were submitted on compliance within the LEONI Group, as well as on the further development of these control processes. Further topics of discussion included major projects of particular relevance to LEONI Group, risks and the mitigation thereof, sustainability issues and non-financial reporting. Where the Rules of Procedure required the approval of the Supervisory Board, this was given after in- depth discussion on the basis of reports and documents prepared by the Board of Directors. Resolutions on matters needing settlement between ordinary meetings were passed at extraordinary meetings or via circular resolutions. In the 2021 financial year, the main focus was on monitoring the restructuring and refinancing measures that were already underway and on dealing in detail with the voluntary public partial purchase offer from Pierer Industrie AG.

The Supervisory Board's members had ample opportunity to critically examine the Board of Directors' submitted reports and proposed resolutions in its Committees or in plenary sessions and to make their own contributions. Particular mention should be made here regarding all significant business transactions for LEONI, which were discussed intensively on the basis of thorough written and oral Board of Directors reports. The Board of Directors involved the Supervisory Board in decisions of material importance at all times.

The Board of Directors and Supervisory Board were also in regular contact outside of meetings. In my role as Chairman of the Supervisory Board, I was in close contact in particular with the Chairman of the Board of Directors, the Chairman of the Audit Committee along with the Chief Financial Officer and the Auditor, and the Chairman of the Special Committee with the Chief Financial Officer and the Chief Restructuring Officer (and following the latter's departure with the Restructuring Monitor). We consulted each other during regular fixed meetings, as well as at short notice and on an ad hoc basis when necessary. Particularly in view of the large number of business challenges, we kept the large number of Supervisory Board meetings, including those of its Committees and discussions, at last year's level.

Supervisory Board procedures

Attendance

The Supervisory Board held a total of twenty meetings in the 2021 financial year, of which eight were ordinary Supervisory Board meetings and twelve were extraordinary Supervisory Board meetings for specific occasions. Supervisory Board Committees met for a total of 33 times. Due to the occasionally high incidence of Covid-19, the majority of meetings held in 2021 took place as video conferences or in hybrid form. Circular resolutions were also passed in rare cases.

Regular communication, also without the members of the Board of Directors, as recommended by the DCGK, took place in our Executive Session for selected agenda items and, as a rule, in the context of the Supervisory Board's internal affairs at the end of meetings. In addition, both the employee and shareholder representatives of the Supervisory Board regularly discussed matters prior to the scheduled meetings.

A detailed presentation of the meetings of the Supervisory Board and its Committees is shown in the following table. An attendance rate of 96 percent was achieved at plenary and committee meetings, maintaining its very high level (last year 96 percent).

A detailed overview of Supervisory Board members participation in plenary and committee meetings can be found below¹:

Financial Year 2021	Plenary	Nomination Committee	Personnel Committee	Audit Committee	Special Committee	Strategy Committee	Ad-hoc Committee	TOTAL
Number of meetings								
Ordinary	8	2	3	4	12	3	2	34
Extraordinary	12	0	6	1	0	0	0	19
Total	10	2	9	5	12	3	2	53
Type of meeting								
In-person	1	0	6	1	1	0	0	9
Hybrid	2	0	0	1	3	1	0	7
Virtual	17	2	3	3	8	2	2	37
Total	20	2	9	5	12	3	2	53
Participation rate								
Dr Klaus Probst (Chairman)	100%	100%	100%		100%	100%	100%	100%
Franz Spieß (Vice Chairman)	95%		100%	100%	83%		100%	94%
Dr Elisabetta Castiglioni	95%	100%				100%		96%
Wolfgang Dehen	100%		100%		100%	100%	100%	100%
Mark Dischner	90%		100%		83%			90%
Janine Heide	100%							100%
Dirk Kaliebe (until 19 th May 2021)	100%			100%	100%			100%
Karl-Heinz Lach	95%					67%	100%	92%
Richard Paglia	100%			100%	92%	100%		98%
Klaus Rinnerberger (since 19 th May 2021)	100%			100%	100%			100%
Prof. Dr. Christian Rödl	85%			100%				88%
Regine Stachelhaus	95%	100%						95%
Inge Zellermaier	100%					100%	100%	100%
Total	96%	100%	100%	100%	93%	94%	100%	96%

¹ The individual participation rate for each member of the Supervisory Board refers to the respective mandate period and the meetings to which the member was actually invited.

With the exception of confidential Personnel and Nomination Committee meetings, all Supervisory Board members were able to attend committee meetings as guests at any time and to view the documents and minutes of these meetings. This opportunity was taken regularly and extensively, especially in the Special and Strategy Committees. In addition to reports from the Board of Directors, further executives also reported to the Supervisory Board, by which means we received a comprehensive picture of the Company development at all times and got to know members of the executive level.

Training for the Supervisory Board

The Supervisory Board members were responsible for identifying the training and further educational measures required for their tasks and were supported here by the Company. Specific training was provided in capital market law, the German Act to Strengthen Financial Market Integrity (*Gesetz zur Stärkung der Finanzmarktintegrität, „FISG“*), the German Second Leadership Positions Act (*Führungspositionengesetz, „FüPoG II“*) and other current corporate governance topics. A structured onboarding process has been established by the Corporate Office for new Supervisory Board members, familiarising them with business activities, a detailed overview of Group structure, the Company's corporate governance and the procedural methods of LEONI AG's Supervisory Board.

Conflicts of interest

As Supervisory Board member Klaus Rinnerberger was also a member of the Board of Directors of Pierer Industrie AG at the time of the announcement of the voluntary public purchase offer in the form of a partial offer by Pierer Industrie AG to the shareholders of LEONI AG on 30 July 2021, Mr Rinnerberger, as a precautionary measure, refrained from participating in Supervisory Board resolutions pertaining to the purchase offer to avoid any potential conflicts of interest. He was only permitted to participate passively in Board meetings relating to this matter. Supervisory Board member Klaus Rinnerberger was in no way involved in the deliberations and resolutions of the Ad hoc Purchase Offer Committee. No other (potential) conflicts of interest pertaining to Executive or Supervisory Board members occurred in the reporting period.

Reports at Supervisory Board meetings

As a rule, at each Supervisory Board meeting, the Committee Chairmen report on the content of their respective previous committee meetings. Moreover, at each meeting the Chairman of the Supervisory Board also reports the main content of his discussions with the Board of Directors and other key positions at LEONI AG.

Main focus of meetings

The focus of the **meeting on 2 February 2021** was, among other things, dealing in depth with individual aspects of the planning for the 2021 financial year already discussed in December 2020. Further items included status reports on the various sales processes of the WCS units, reports on major projects and regular reporting on the further development of the corporate control systems, i.e. in particular on the status of the early risk detection system. In addition, we dealt with the strategic organisational development of the WSD division.

At our **extraordinary meeting on 25 February 2021**, the budget for 2021 and the mid-term planning for 2022-2025 were approved. In addition, as the Supervisory Board, we gave our approval to the sale of LEONI Schweiz AG and received further status reports on various sales processes and major projects. Another key aspect of this meeting was the approval of the agreed targets for 2021 and a review of targets achieved in 2020 for members of the Board of Directors in accordance with our system of remuneration for Board of Directors members. We also dealt with the Board of Directors' distribution-of-business plan, among other things.

At the **meeting on 15 March 2021**, we primarily discussed the annual and the consolidated financial statements for the financial year 2020, as well as the combined management report for LEONI AG and the Group, including the non-financial Group statement. Based on the recommendation of the Audit Committee and after discussion with the auditor, Deloitte GmbH Wirtschaftsprüfungsgesellschaft GmbH, Munich, ("Deloitte") we approved the annual and consolidated financial reports for the 2020 financial year and thus adopted the annual financial statements. We passed a resolution regarding the convening and holding of the Annual General Meeting on 19 May 2021, which was held virtually due to the Covid-19-pandemic. In doing so, we agreed, as specifically recommended by the Audit Committee, to propose at the Annual General Meeting that Deloitte be selected as auditors of the financial reports and consolidated financial reports for the financial year 2021 and for the audit review of the half-year financial report as of 30 June 2021. We also proposed Klaus Rinnerberger as Shareholder Representative for election to the Supervisory Board at the 2021 Annual General Meeting in accordance with the recommendation from the Nomination Committee. Furthermore, we also approved the report of the Supervisory Board for the 2020 financial year and the Corporate Governance Declaration, which also includes the declaration of conformity with the DCGK. At this meeting, corporate control processes, especially regarding risk management and the early detection of risks were also addressed.

At the **extraordinary meeting of the Supervisory Board on 7 April 2021**, we dealt intensively with the sale of the business units of LEONI Kerpen GmbH and approved the sale of the company.

On 23 April 2021, the Supervisory Board met in an extraordinary session to, have a training on current topics of corporate governance, among other things.

On 20 May 2021, the following topics were the primary focus of the meeting: a review of the Annual General Meeting on 19 May 2021, a discussion about the capital market, a report on the current business situation (incl. VALUE 21) and reporting on the first quarter of 2021, including an outlook on the expected business development. In addition to developments in turnover and earnings, changes in raw material prices, the development of Free Cash Flow and progress in the VALUE 21 programme, the expected further business and liquidity developments and planning were intensively discussed. A further important focus of the meeting was the design of the CSR component in Board of Directors compensation and its implementation. The Supervisory Board also dealt with the topic of cyber security, measures to reduce cyber risks in general and other important topics in the IT area. As usual, reports were given on the development of sales processes and various major projects. Following the departure of

Dirk Kaliebe and the election of Klaus Rinnerberger, we dealt with the future composition of the Committees and passed resolutions on this. We also devoted part of the meeting to the future composition of the Board of Directors.

At our **annual strategy meeting on 22 June 2021**, which took place in Kitzingen, the Supervisory Board dealt in particular with questions relating to the business model, the market, competitive and customer situations, technology, initiatives in the operational and as issues regarding IT, HR and sustainability. In Kitzingen, we also had the opportunity to tour the Development departments and had a presentation on future wiring systems architecture.

In an **extraordinary meeting on 25 June 2021**, the Supervisory Board dealt with the announcement to be made on 30 July 2021 regarding their decision to proceed with Pierer Industrie AG's voluntary public offer and passed a resolution to create a temporary Ad hoc Purchase Offer Committee. Mr Rinnerberger did not participate in the meetings or the deliberations of the Committee voluntarily due to his position on the Board of Directors of Pierer Industrie AG in order to avoid any semblance of a potential conflict of interest.

On 27 July 2021, the Supervisory Board met for another ordinary meeting. The meeting focused on business performance in the second quarter of 2021, as well as the prospects for 2021 in general. Other topics included cyber security at LEONI as well as its ongoing development, updates on various projects of particular relevance to the Supervisory Board, routine reports from the main plants, discussion of Pierer Industrie AG's purchase offer and status reports on current sales processes. The Supervisory Board also dealt thoroughly with its own tasks, including the competency profile, planning for the Supervisory Board's self-assessment in 2021, and future Board composition.

In an **extraordinary meeting on 5 August 2021**, the Supervisory Board addressed the topic of Pierer Industrie AG's public purchase offer issued 30 July 2021. In the extraordinary meeting on 13 August 2021, it passed a resolution on the reasoned statement from the Executive and Supervisory Board in accordance with Section 27 (1) of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz, „WpÜG“*) on the voluntary public purchase offer in the form of a partial offer by Pierer Industrie AG, Wels, Austria to the shareholders of LEONI AG of 30 July 2021, which was also published on 13 August 2021.

During an **extraordinary meeting on 18 August 2021**, the Supervisory Board dealt with Ingrid Jägering's departure on

31 December 2022 with the expiration of her contract, the proper process to fill her position, and the future composition of the entire Board of Directors.

The **ordinary meeting on 16 September 2021** was focused on reports regarding current sales processes. After a detailed presentation and discussion of the planned sale of LEONI Industrial Solutions (BG IN Group), including its impact on the financial position of LEONI AG, the Supervisory Board passed a resolution on the planned sale to the BizLink Group. Another focal point was the assessment of the quality of the audit of the financial reports, which was closely monitored by the Audit Committee and also dealt with in the plenary meeting of the Supervisory Board due to its considerable relevance. The result of the externally conducted assessment was positive as regards the quality of the audit in general, which even exceeded requirements. In addition, we addressed the effectiveness of the internal audit system, the focal points of the audits, various topics in the area of the Supervisory Board's personnel responsibility and, in particular, the appointment processes at Board of Directors level. In addition, the Rules of Procedure for the Executive and Supervisory Boards regarding personnel matters needing approval were updated.

Our **extraordinary meeting on 27 September 2021** also focused on a number of Board of Directors matters. Following the recom-

mendation of the Personnel Committee, it was decided to appoint Dr Ursula Bienert as the new member of the Board of Directors responsible for Human Resources (CHRO) and at the same time the Labour Director according to Section 33 of the German Co-Determination Act (*Mitbestimmungsgesetz, „MitbestG“*). An external press release regarding her appointment was made on 8 December 2021.

The **extraordinary meeting of the Supervisory Board on 2 November 2021** was marked by further divestments and the streamlining of the whole Group. The sale of Adaptricity to Secure Meters Ltd and the sale of the multimedia business to MediKabel GmbH were approved. In addition, we discussed the current status of further sales processes.

In our **annual Executive Session on 11 November 2021**, we focused on the work of the Supervisory Board without the participation of the Board of Directors. Among other things, we critically examined our role as a supervisory board, the requirements profile of the Board, the expertise of Supervisory Board members and the measures necessary for the further development of our work. The meeting focused on the presentation of the results from the Supervisory Board's self-assessment conducted in 2021, which was supported by an external consultancy. The overall result of the evaluation confirmed the positive level of governance maturity in

our work as the Supervisory Board and its Committees, as well as in our cooperation with the Board of Directors. The focus here was also on the various extraneous factors that influenced Board work in 2021, especially the restructuring of the LEONI Group, including the various divestments, the ongoing supervision of the liquidity and debt situation and the upcoming refinancing. We defined a number of measures essential for continued development, enhancing the effectiveness and efficiency of our work, and also discussed strategic focal points for the Board's work in 2022. Another part of our discussion was the target for the future composition of the Board of Directors team with a CEO, CFO, CHRO and COO, as well as the appointment of our new COO and Board of Directors member, Ingo Spengler, as of 1 February 2022. Furthermore, in connection with the Supervisory Board's requirements for further training, there was an external presentation on the impact of the German Act to Strengthen Financial Market Integrity (*Gesetz zur Stärkung der Finanzmarktintegrität „FISG“*) and the German Second Leadership Positions Act (*Führungspositionengesetz „FüPoG II“*) on LEONI AG and our work on the Supervisory Board.

In our **meeting on 7 December 2021**, we addressed the current business development, the 3rd quarter review and the forecast for 2022 as a whole. The Supervisory Board was informed about the current sales processes and passed a resolution on the sale of the Fiber Optics business unit (without j-fiber GmbH) to Weinert

Industries AG. Also on the agenda were reports from the Operations Division and an ongoing IT project to improve business management processes. The declaration of conformity with the DCGK for 2021 is of particular note. Once again, this year we are able to fully comply with the recommendations of the German Corporate Governance Code 2020. In addition, we dealt with the distribution-of-business plan after the expansion of the Board of Directors as of 1 February 2022, succession planning for the Finance department and the new elections for the Supervisory Board for the next Annual General Meeting.

In the **extraordinary meeting on 13 December 2021**, we dealt with the preliminary draft of the 2022 budget and the mid-term planning for 2023 – 2026.

The focus of the **extraordinary meeting on 28 December 2021** was a report on the current status regarding the replacement process for Ingrid Jägering and a vote on the next steps in the process.

Work of the Committees

The Supervisory Board of LEONI AG sets up Supervisory Board committees to promote the effectiveness and efficiency of its

work. Accordingly, there is an Audit Committee, a Personnel Committee, a Nomination Committee, a Strategy Committee and a Special Committee. In addition, there is also the Mediation Committee in accordance with Section 27 (3) MitBestG. In the 2021 financial year, a temporary Ad hoc Committee on the purchase offer was also set up but has since been dissolved by resolution on 1 February 2022.

The six permanent Committees of the Supervisory Board prepare topics to be discussed and resolutions to be passed in the plenary sessions of the Supervisory Board. To the extent permitted by law, the decision-making powers of the Supervisory Board are transferred to the Committees. This applies in particular to the approval of personnel issues, which are dealt with by the Personnel Committee. The respective Committee Chairmen report regularly on their work at Supervisory Board meetings. Information on the composition and work of the Committees can be found in the Corporate Governance Declaration.

The **AUDIT COMMITTEE** met for a total of four ordinary meetings and one extraordinary meeting in the reported year. The Audit Committee discussed the annual and consolidated financial statements for the financial year 2020, the combined management report for LEONI AG and the Group for the financial year 2020 and, among other things, drew up recommendations for resolutions

for the Supervisory Board – for example, for the election of the auditor for 2021 and for the non-financial Group statement. The auditors from the auditing company Deloitte attended the financial statements meeting, explained the focus of the audit and were available to answer questions from the Audit Committee. The Audit Committee also dealt with the half-year financial report from 30 June 2021 and the quarterly reports from 31 March and 30 September 2021. The half-year financial statements, which were also reviewed by the auditor in accordance with IDW PS 900, were also discussed together with the auditor. The Audit Committee approved a limited number of non-audit services by the auditor. In addition, it issued the audit mandate for the 2021 financial year to the auditor elected by the Annual General Meeting.

The Chairman of the Audit Committee also maintained regular contact with the auditor outside of meetings and reported regularly to the Committee. Moreover, in compliance with the new FISG legislation, an exchange between the Audit Committee and the auditor also took place without the participation of the Board of Directors during the reporting year, which was specifically used to go into more detail on individual key points. In accordance with Recommendation D.11 of the DCGK 2020 and as required by the FISG, the Audit Committee dealt intensively with quality of the audit and independence of the auditor in the financial year. For the first time, the quality of the audit was independently evalua-

ted by external consultants. The views of the Finance department, the members of the Audit Committee and the auditor were included in the evaluation, and Audit Quality Indicators were collected as objectively assessable indicators of the quality of the audit. As a result, the quality of the audit was assessed as positive and the requirements placed on it were considered to have been exceeded.

In addition to regular reporting on the operational situation of the Company, the Audit Committee also dealt extensively with existing monitoring systems and their effectiveness. These include the Internal Control System (ICS), the Risk Management System (RMS) and the Compliance Management System (CMS) as well as regular reporting from the respective departments on their ongoing development. Internal Auditing also reported regularly to the Audit Committee and coordinated audit planning with the Audit Committee.

In addition, the Audit Committee dealt extensively with the general Corporate Social Responsibility (CSR) reporting, including the non-financial Group declaration, which was externally audited by the auditing firm EY. Other topics addressed included regulatory issues (including the Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*, „LkSG“) and the FISG, taxes, IT, cyber security/information security and data protection.

In accordance with the requirements of Section 107 (4) in conjunction with Section 100 (5) AktG, which was effective from 1 July 2021, both the Chairman of the Audit Committee, Prof. Dr Christian Rödl, and Klaus Rinnerberger, as a Committee member, have expertise in both the areas of accounting and auditing.

The **SPECIAL COMMITTEE** met twelve times and dealt intensively with LEONI Group's financial situation. The focus was, on the one hand, on the constant monitoring of LEONI Group's liquidity and debt situation, and on the other, on LEONI AG's equity situation as well as advising the Board of Directors on the upcoming refinancing. The Committee discussed the impact of the Covid-19 pandemic and the supply chain challenges, particularly with regard to LEONI AG's liquidity planning in detail. It advised the Board of Directors on the steps taken and still to be taken, followed up on the implementation of the agreed measures and was always in close communication with both the Board of Directors and the full Supervisory Board.

The **PERSONNEL COMMITTEE** met a total of nine times in the year of reporting. It was focused primarily on the future composition of the Board of Directors team, preparing the contract extension of the Chief Executive Officer (CEO) as well as the appointment of the Chief Human Resources Officer (CHRO) and the Chief Operations Officer (COO). The Committee also dealt with the departure of

Hans-Joachim Ziems (CRO), the departure of Ingrid Jägering (CFO) and the search for a successor for her. Further topics included contractual and remunerational issues regarding the Board of Directors and personnel matters relating to senior management level, as well as the Board of Directors' 2020 target achievement and the 2021 target agreement.

The **STRATEGY COMMITTEE** held three meetings in the past financial year. The Committee members discussed in close consultation with the Board of Directors and specific managers the business model of LEONI Bordnetze, the changes in the industry and the general market situation in particular. Issues relating to technology, manufacturing, IT, automation and digitization were also discussed, and the Supervisory Board's strategy meeting was prepared and subsequently followed up on. Other topics of discussion were the development of selected projects in the areas of sustainability and human resources and the further development of the VALUE 21 programme.

The **NOMINATION COMMITTEE** met twice in the financial year. The Nomination Committee prepared the replacement of Dirk Kaliebe on the Supervisory Board with Klaus Rinnerberger. In addition, the Committee dealt with the competency profile of the Supervisory Board in another meeting, as well as with the election proposals at the 2022 Annual General Meeting regarding the future composition of the Supervisory Board.

The temporary **AD-HOC PURCHASE OFFER COMMITTEE** met a total of two times with the aim of preparing a joint reasoned statement from the Executive and the Supervisory Board on the purchase offer for the Supervisory Board, as well as to draft a recommended resolution.

The **MEDIATION COMMITTEE** did not meet in the financial year of 2021.

Declaration of Conformity & Corporate Governance

In 2021, the Supervisory Board once again devoted itself to the topic of corporate governance and to the continued professionalisation of its own supervisory work.

On 7 December 2021, the Executive and Supervisory Board confirmed in their statement regarding the Corporate Governance Code under Section 161 AktG that LEONI complies with all recommendations of the Code and will continue to do so. The Corporate Governance Declaration contains further information on the Company's corporate governance.

Audit of annual and consolidated financial statements 2021

On 19 May 2021, the Annual General Meeting of LEONI AG elected Deloitte as the auditor for both the 2021 financial year and the half-year financial statement as of 30 June 2021 at the recommendation of the Supervisory Board and in line with the recommendation of the Audit Committee. Deloitte audited the half-year statement, the annual financial statements of LEONI AG, the consolidated financial statements and the combined management report for the 2021 financial year and issued an unqualified auditor's opinion in each case.

Deloitte initially conducted the audit for the 2019 financial year. Sebastian Kiesewetter has signed off as the auditor responsible for the audit since the 2019 financial statements. Before being proposed by the Supervisory Board to the Annual General Meeting as auditor, Deloitte had confirmed to the Chairman of the Supervisory Board and the Audit Committee that there were no circumstances which could impair its independence as an auditor or give rise to any doubts about this independence. At the same time, Deloitte also explained to what extent non-audit services had been provided to the Company in the previous financial year or were contractually agreed for the following year.

The annual financial statement and the combined management reports of LEONI AG were prepared in accordance with German commercial law. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union as well as the further requirements of German commercial law under Section 315e (1) of the German Commercial Code (Handelsgesetzbuch, "HGB"). The audit of the financial statements was conducted in accordance with Section 317 HGB and generally accepted German standards for the audit of financial statements as set out by the German Institute of Auditors (Institut der Wirtschaftsprüfer). The auditors confirmed that the combined management report accurately describes the situation of LEONI AG and the Group as well as the opportunities and risks associated with future development. The audit of the early risk detection scheme as part of the audit of the financial statements found that the Board of Directors had taken the necessary steps required under Section 91 (2) of the AktG, in particular by setting up a monitoring system correctly and ensuring that this system is suitable for the early detection of developments that could jeopardise the Company's existence.

LEONI AG's annual and consolidated financial statements and the combined management report (including the non-financial Group declaration) along with the auditor's reports were all made available to the Supervisory Board in good time. The Audit Committee

conducted a preliminary review of these documents at its meeting on 17 March 2022 and reported them to the Supervisory Board at the ordinary Supervisory Board meeting on 21 March 2022. The financial statements and reports were discussed in detail. The auditor was represented at both meetings, providing information on the results of its audit and answering our questions. Specifically, the results pertaining to the Key Audit Matters for LEONI AG and the Group for the 2021 financial year were presented. The Key Audit Matters regarding the audit of the consolidated financial statements were i) the valuation of goodwill, other intangible assets and fixed assets as well as ii) the recognition and valuation of impending losses from onerous customer contracts and, for the audit of the annual financial statements, the valuation of shares in affiliated companies, loans to affiliated companies and receivables from affiliated companies. In addition, the risks to the Company as a going concern and the Board of Directors' assessment of LEONI AG and the Group in the matter of continuing as a going concern were discussed. There were no objections to the audit.

The final results of the audit of the annual and consolidated financial statements and the combined management report of LEONI AG by the Audit Committee and the Supervisory Board did not give rise to any objections.

In line with the recommendation of the Audit Committee, the Supervisory Board approved the results of the audit. The Supervisory Board approved the financial statements of LEONI AG and the consolidated financial statements for 2021 prepared by the Board of Directors. The annual financial statements of LEONI AG have been ratified.

As a part of its Audit, the Supervisory Board also examined the non-financial consolidated statement that had to be prepared under Section 315b HGB and came to the conclusion that it met the existing requirements and that no objections need be raised. An external review had previously confirmed that no matters had come to the attention of the auditors that would lead them to believe that the non-financial Group declaration had not been prepared in all material aspects in accordance with Section 315c HGB.

The compensation report was also formally audited by the auditors in accordance with Section 162 AktG, and no objections were raised here either. The audit findings do not cover the material content of the compensation report. The Supervisory Board reached a decision regarding the correctness and suitability of the compensation report and approved it.

Changes in personnel

The past financial year saw a change in the Supervisory Board. Dirk Kaliebe, who had been appointed by court as a member of the Supervisory Board with immediate effect from 15 August 2020, resigned from the Supervisory Board at the end of the 2021 Annual General Meeting on 19 May 2021. Klaus Rinnerberger was then elected as a new member of the Supervisory Board at the Annual General Meeting.

Thanks to the Board of Directors and employees

On behalf of the entire Supervisory Board, I would like to thank the members of the Board of Directors as well as our employees for their efforts and achievements in the 2021 financial year. In 2022, LEONI AG will continue to operate in a demanding environment and face further challenges in the ongoing transformation. We wish both the Board of Directors and every employee plenty of success in the tasks ahead.

Nuremberg, 21 March 2022

A handwritten signature in blue ink, appearing to read 'Klaus Probst', is positioned below the date.

Dr Klaus Probst
Chairman of the Supervisory Board