



**Declaration by the Management Board and the Supervisory Board  
of Douglas AG  
on the recommendations of the Government Commission "German Corporate Governance  
Code" pursuant to Section 161 AktG**

Pursuant to Section 161 of the German Stock Corporation Act (AktG), the Management Board and Supervisory Board of a listed German stock corporation are obliged to declare annually whether the recommendations of the Government Commission "German Corporate Governance Code" published by the Federal Ministry of Justice and Consumer Protection in the official section of the Federal Gazette have been and are being complied with. Recommendations that have not been or are not applied should be named and reasons given for any deviation.

The initial listing of Douglas AG shares on the Frankfurt Stock Exchange took place on March 21, 2024. Until this date, the company was not a direct addressee of the German Corporate Governance Code and was not subject to the provisions of Section 161 AktG. Correspondingly, the company did not report on the application of the German Corporate Governance Code or on deviations from the recommendations. The company provided information on the recommendations of the German Corporate Governance Code for the first time in the company's IPO prospectus (p. 279 et seq.).

With the listing of the company's shares on the Frankfurt Stock Exchange, the Management Board and Supervisory Board will now report annually on the application of the recommendations of the German Corporate Governance Code and explain any deviations accordingly. Since the initial listing of the company's shares and also in the future, Douglas AG has complied with all recommendations of the German Corporate Governance Code in the version dated April 28, 2022, as published in the Federal Gazette on June 27, 2022, with the following exceptions:

**Recommendation B.3: Composition of the Management Board**

In accordance with recommendation B.3, the initial appointment of Management Board members should be for a maximum term of three years.

Due to the IPO in 2024, Douglas AG is in the special situation that the three members of the Management Board of the new, listed Douglas AG who are appointed for the first time were already in charge to lead the Douglas Group before, i.e. in the predecessor company of Douglas AG. Against this background, the 2024 appointments are not first-time appointments in the strict sense. Nevertheless, for reasons of transparency and good governance, the Management Board and the Supervisory Board expressly point out that these appointments of the current members of the Management Board were made for a term of four years. From the company's point of view, and in particular from the point of view of the appointing Supervisory Board, the expertise and continuity of the current Management Board is an essential building block for the long-term success of the Douglas Group. Therefore, the company believes it was appropriate to make the appointments in 2024 for a term of 4 years. At this point in time, neither new appointments are intended, nor is a

deviation from recommendation B.3 being intended for any future new appointments with regard to long-term succession planning. Against this background, the deviation from recommendation B.3 will be ceased in the future.

### **Recommendation F.2: Publication of financial information**

According to recommendation F.2 of the Code, the consolidated financial statements and the Group Management Report should be publicly accessible within 90 days of the end of the financial year and the mandatory interim financial information within 45 days of the end of the reporting period.

The Supervisory Board and Management Board of the company consider it sensible and necessary to follow Recommendation F.2 of the German Corporate Governance Code in their practice and to comply with it in full in the future reporting. However, as part of the company's IPO in spring 2024, considerable internal and external resources were bound, which were equally responsible for the financial information during the year and for the processes surrounding the IPO. In order to comprehensively meet the quality standards that the company itself strives for in the respective, partly new reports, the company - as already announced in advance in the IPO prospectus - made a one-time deviation from recommendation F.2 and published the reporting as of the reporting date March 31, 2024, which was ten days after the initial listing, and, thus, available within a period of 55 days after the end of the reporting period. All subsequent and future reports will be published in accordance with recommendation F.2, meaning that this deviation from the recommendations of the GCGC will no longer apply in future.

### **Recommendation G.10 sentence 1: Share-based payment**

In accordance with recommendation G.10, sentence 1, the variable remuneration amounts granted to the members of the Management Board should be invested by the Management Board, taking into account the respective tax burden, predominantly in shares of the company or granted on a share-based basis.

As already mentioned, Douglas AG did not go public until 2024. Against this background, the remuneration structure was fundamentally changed during the past financial year in line with the IPO. In compliance with recommendation G.10 sentence 1, the long-term variable remuneration is predominantly share-based and the Management Board is obliged to hold shares in the company equivalent to at least one or one and a half years' fixed salary. The corresponding explanations are disclosed to shareholders in the remuneration system and in the annual remuneration reports. However, due to the change in remuneration in the past financial year, the share-based long-term remuneration component will not be fully implemented until the 2024/25 financial year. A deviation must therefore be explained for the previous reporting period, which will no longer apply in future.

Douglas AG

Düsseldorf, December 4, 2024

**[Note to draft:** *This document is a mere working translation of the German version. In cases of uncertainty, the German original of this working translation shall apply]*