



Corporate Governance Statement

**Corporate Governance Statement pursuant to Section 289f, 315d of the German Commercial Code (HGB)
dated April 28, 2023**

**Declaration on the German Corporate Governance Code (DCGK) pursuant to Section 161 of the German
Stock Corporation Act (AktG)**

The Executive Board and Supervisory Board declare:

The recommendations of the “Government Commission on the German Corporate Governance Code” as amended on 16 December 2019 (DCGK 2020) and published by the Federal Ministry of Justice in the official section of the Federal Gazette on 28 April 2022 (DCGK 2022) have been complied with in the period since the last Declaration of Conformity dated 29 March 2022, with the exception of the following clauses for the reasons stated therein.

Composition of the Executive Board (Recommendation B.1)

If new appointments are to be made to the Executive Board, the Supervisory Board will always keep the issue of diversity in mind, including female and diverse candidates, but the decisive factors are the education, experience and competence of the candidates.

Age limit for members of the Executive Board (Recommendation B.5)

In view of the age of the incumbent members of the Executive Board, VARTA AG has so far not set an age limit for Executive Board members. The Supervisory Board of VARTA AG is considering setting an age limit in the future.

Independence of members of the Supervisory Board (Recommendation C.10 Sentence 1)

Due to the indirect business relations with VARTA AG or the VARTA AG Group, the Chairman of the Supervisory Board, who is also Chairman of the HR Committee, cannot be regarded as independent of the Company and the Executive Board according to the indicators in recommendation C7. The Supervisory Board has no doubt that the Chairman of the Supervisory Board and of the HR Committee is exclusively oriented towards the best interests of the company in his Supervisory Board activities.

Determination of the amount of variable remuneration components (Recommendations G.6 and G.10 sentence 1)

The Supervisory Board has decided to split the variable compensation amounts equally between short-term incentive and long-term incentive. From an incentive point of view, the Supervisory Board currently considers

an equal weighting of the short-term incentive and the long-term incentive to be appropriate in the interests of sustainable corporate development.

Ellwangen, April 2023

Executive Board and Supervisory Board

VARTA AG

Corporate Governance Report in accordance with Principle 23 of the German Corporate Governance Code

Corporate governance stands for responsible, transparent corporate management and control geared to long-term value creation.

We are convinced that good corporate governance is an essential basis for sustainable corporate success, which strengthens the confidence of our shareholders, business partners, employees and the financial markets in the Company. The VARTA AG Group has adopted a Code of Conduct, which was updated in 2022. This code defines behavioural guidelines as minimum standards that are binding for all employees of the VARTA AG Group worldwide. The complete Code of Conduct is available on the VARTA AG website at: https://www.varta-ag.com/fileadmin/varta_ag/publications/VARTA_Verhaltenskodex_de.pdf

Dual Management System

As an internationally active stock corporation with its registered office in Ellwangen, Germany, VARTA AG is subject, among other things, to the provisions of German stock corporation law. A fundamental principle of German stock corporation law is the dual management system, which assigns the management of the company to the Executive Board and the advice and supervision of the Executive Board to the Supervisory Board. These two bodies are strictly separated from each other, both in terms of their members and their competencies. However, both bodies work closely together in the best interests of the Company.

Composition and Functioning of the Executive Board

As at 31 December 2022 the Executive Board of VARTA AG, Ellwangen (Jagst) consisted of four members: Herbert Schein (CEO), Armin Hessenberger (CFO), Rainer Hald (CTO) and Dr Markus Hackstein. Herbert Schein resigned his post on the Executive Board with effect from 31 December 2022. Dr Hackstein was appointed as Spokesperson for the Executive Board in September 2022.

The members of the Executive Board are jointly responsible for the management of the Company.

No member of the Executive Board holds more than two supervisory board mandates or chairs supervisory boards of listed companies outside the Group or supervisory bodies of companies outside the Group with comparable requirements. The Executive Board manages the Company on its own responsibility, determines the strategic direction of the Company, agrees this with the Supervisory Board and ensures its implementation. In addition, it determines the corporate goals and shapes corporate policy and the Group's organisation. It also ensures appropriate and effective internal control and risk management, which also covers sustainability-related objectives, and compliance with statutory provisions and internal company guidelines. It is bound by the interests of the company and is guided by the goal of sustainably increasing the value of the company. In doing so, the Executive Board takes into account not only long-term economic goals but also ecological and social objectives.

Without prejudice to the overall responsibility of the Executive Board, the individual members manage the business areas assigned to them by the schedule of responsibilities on their own responsibility. There are no Executive Board committees. The Chairman of the Board of Management or Spokesperson for the Executive Board is responsible in particular for corporate development and for coordinating the business areas. The members of the Executive Board inform each other about all major developments in their business areas and coordinate all interdepartmental measures. Further details on cooperation within the Executive Board are set out in the Rules of Procedure for the Executive Board and the schedule of responsibilities. In particular, they also contain rules on meetings and resolutions and on cooperation with the Supervisory Board.

At the Supervisory Board meetings, the Executive Board reports in writing and orally on the agenda items and draft resolutions and answers the questions put by individual Supervisory Board members.

The CEO and CFO are in regular contact with the Chairman of the Supervisory Board and the Chairman of the Audit Committee to discuss the key aspects of the Company's strategy, planning and corporate development, as well as risk management and compliance issues.

In view of the age of the incumbent members of the Executive Board, VARTA AG has so far not set an age limit for Executive Board members. For the reasons stated in the Declaration of Conformity, the Supervisory Board has not yet defined a diversity concept for the Executive Board.

Composition and Functioning of the Supervisory Board

In accordance with the Articles of Association, the Supervisory Board of VARTA AG consists of six members. However, at present, there are only five members. Prof. Dr Werner Tillmetz resigned his post as a member of the Supervisory Board with effect from 31 October 2022. The term of office of the remaining Supervisory Board members will expire at the end of the Annual General Meeting in 2026. The specific composition of the Supervisory Board and its chairmanship can be found in the Supervisory Board report.

The Supervisory Board has set targets for its composition which, in accordance with the Declaration of Conformity, take into account the recommendations of the German Corporate Governance Code. These objectives also include the competence profile for the entire body and the diversity concept pursued by the Supervisory Board for its composition. By the latter, the Supervisory Board understands an appropriate participation of both genders, a sufficient consideration of different professional and international experiences as well as ensuring the affiliation of members with many years of professional experience.

The members of the Supervisory Board as a whole have the knowledge, skills and professional experience required to perform their duties properly. They are familiar in their entirety with the sector in which the Company operates. As they also have extensive knowledge of different professional fields and many years of international experience, they bring a broad range of skills, experience and diversity to their Supervisory Board activities. In the opinion of the Supervisory Board, members Martin Ohneberg, Dr Michael Pistauer, Sven Quandt and Dr Harald Sommerer fulfil the requirement of independence. The Supervisory Board considers the number of four independent shareholder representatives on the Supervisory Board to be appropriate. Members of our Supervisory Board do not perform any board functions or advisory duties for significant competitors of the Company. Compliance with the age limit of generally 75 years at the time of election was taken into account in the appointment process, with the exception of one case.

The diagram below gives an overview of the current status of Supervisory Board member qualifications:

Know-How	Sektoral			Funktional								D.3 DCGK	
	(Batterie / Energiespeicher -) Technik	Forschung und Entwicklung	Business Development	Finance	CEO / Management / Bereichsleitung	Compliance / Rechtswesen	Personalwesen	Buchhaltung / Rechnungsprüfung	Marketing	Digitalisierung	ESG	Rechnungslegung	Abschlussprüfung
Michael Tojner	Yellow	Yellow	Blue	Yellow	Yellow	Blue	Yellow	Yellow	Blue	Blue	Light Blue	Ja	JA
Harald Sommerer	Blue	Blue	Yellow	Yellow	Yellow	Blue	Yellow	Yellow	Blue	Blue	Light Blue	Ja	Ja
Sven Quandt	Yellow	Blue	Yellow	Blue	Yellow	Blue	Yellow	Blue	Blue	Blue	Blue	Nein	Nein
Martin Ohneberg	Yellow	Yellow	Yellow	Yellow	Yellow	Blue	Blue	Blue	Blue	Blue	Blue	Nein	Nein
Michael Pistauer	Blue	Light Blue	Yellow	Yellow	Yellow	Yellow	Blue	Yellow	Blue	Blue	Blue	Ja	Ja

Yellow	Kernkompetenz
Blue	Sekundärkompetenz
Light Blue	Tertiär/ keine offensichtliche Kompetenz

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Key:

Kernkompetenz	- core competency	Sektoral	- sector
Sekundärkompetenz	- secondary competency	Funktional	- functions
Tertiär/keine offensichtliche Kompetenz	- tertiary/no obvious competency	Know-how	- expertise

(Battery/energy storage) Technology // R&D // Business development // Finance // CEO/Management // Compliance/Law // HR // Accounting/Auditing // Marketing // Digitisation // ESG // Invoicing // Auditing

The basis of every Supervisory Board activity is the personal qualification of Supervisory Board members. For this reason, other important criteria are also taken into account in proposals of candidates for election. As in the past, attention will be paid to personality, integrity and sufficient diversity in terms of specialist and industry knowledge as well as special experience, e.g., in the fields of accounting or auditing.

The Supervisory Board monitors and advises the Executive Board on the management of the Company. It is informed by the Executive Board regularly, promptly and comprehensively on the business development, planning and the risk position of the Company, including compliance and agrees corporate strategy and its implementation with the Executive Board. The Supervisory Board examines and approves the annual financial statements of VARTA AG and the VARTA AG Group, taking into account the auditor's reports, and examines and resolves on the proposal of the Executive Board for the appropriation of the net profit. Furthermore, it decides on the resolution proposals to be submitted to the Annual General Meeting by the Supervisory Board. Certain transactions and measures of the Executive Board of fundamental importance require the prior approval of the Supervisory Board or a committee of the Supervisory Board.

The Supervisory Board is also responsible for appointing and dismissing members of the Executive Board. When appointing members of the Executive Board, the Supervisory Board ensures that the composition of the Executive Board is the best possible for the Company. Experience and industry knowledge as well as professional and personal qualifications play an important role in this. The HR Committee submits proposals

to the Supervisory Board on the structure of the Executive Board remuneration system and on appropriate overall remuneration of the individual Executive Board members.

To increase the efficiency of its work and to deal with complex issues, the Supervisory Board has formed four standing committees from among its members which, among other duties, prepare its resolutions or in some cases pass resolutions on behalf of the Supervisory Board. These are the Audit Committee, the HR Committee, which also performs the tasks of the Nominating Committee, the Related Parties Committee and the Investment Committee. The chairpersons of the committees report regularly to the plenary Supervisory Board on the results of their work.

The HR Committee consists of four members: DDr Michael Tojner (Chairman), Dr Harald Sommerer, Sven Quandt and Martin Ohneberg. Members of the Related Parties Committee are or were: Sven Quandt (Chairman), Dr Michael Pistauer and Dr Werner Tillmetz (until 31 October 2022). Members of the Investment Committee are or were: DDr Michael Tojner (Chairman), Dr Werner Tillmetz (until 31 October 2022), Martin Ohneberg and Dr Harald Sommerer. Members of the three-strong Audit Committee are: Dr Harald Sommerer (Chairman), DDr Michael Tojner and Dr Michael Pistauer.

The members listed below have special expertise in the field of both auditing and accounting, including sustainability reporting and auditing thereof:

- Dr Harald Sommerer as independent Chairman of the Audit Committee, based on his qualifications and professional experience as CFO and CEO of listed companies;
- Prof. DDr Michael Tojner, based on his qualifications and professional experience as CEO and his many years of experience as the managing owner of various investment companies;
- Dr Michael Pistauer, based on his qualifications and professional career as CFO of various companies.

The Rules of Procedure for the Supervisory Board are available on the Company's website at: <https://www.varta-ag.com/de/ueber-varta/unternehmen/aufsichtsrat>. These govern not only the personal requirements placed on members of the Supervisory Board, but also the duties and responsibilities as well as the procedure to be followed for meetings and resolutions. The Supervisory Board Report provides information on the activities of the Supervisory Board and its committees in the reporting year.

The Supervisory Board regularly reviews the efficiency of its activities and those of its committees by means of questionnaires and individual interviews. These can generate suggestions for even more effective cooperation. The Supervisory Board last carried out such a self-assessment of its work and the work of its committees in October 2022, the results of which were subsequently discussed by the Supervisory Board.

Avoidance of Conflicts of Interest

Members of the Executive Board and Supervisory Board are required to disclose any conflicts of interest to the Chairman of the Supervisory Board without delay. Significant transactions between the Company and members of the Executive Board or related parties require the approval of the Supervisory Board. Agreements between the Company and members of the Supervisory Board also require the approval of the Supervisory Board. The Supervisory Board reports to the Annual General Meeting on any conflicts of interest and how they are handled. Conflicts of interest that arose in the reporting year were resolved by related party transactions being carefully examined by the Related Party Committee and the Supervisory Board member involved in related party transactions not taking part in the decision-making process of the Supervisory Board. Further information on related party transactions can be found in the Supervisory Board Report.

Setting Targets for the Proportion of Women in the First Two Management Levels, the Executive Board and the Supervisory Board

The Executive Board has set the target for the proportion of women in the first two management levels of the VARTA AG Group below the Executive Board level of VARTA AG at 30%. A deadline of 16 March 2026 was set as the cut-off point for achieving the target figure.

The Supervisory Board has set the target for the proportion of women on the Executive Board and Supervisory Board at 30% in each case. The deadline for achieving the target figure was set at 31 December 2027.

Succession Planning

The Supervisory Board ensures long-term succession planning together with the Executive Board. This is also carried out in order to be able to recruit suitable candidates for future Executive Board positions internally wherever possible. A requirements profile is drawn up that takes into account the specific qualification requirements and the provisions of the German Stock Corporation Act and the German Corporate Governance Code. The focus is on knowledge, experience and professional and personal competencies with a view to the corporate strategy and corporate culture. On the basis of the requirements profile, the Supervisory Board makes a shortlist of available candidates with whom structured discussions are held. If necessary, the Supervisory Board is supported by external consultants in the development of the requirement profiles and/or the selection of candidates.

Annual General Meeting

The Annual General Meeting is the third corporate body of the Company. The shareholders exercise their rights at the Annual General Meeting, including their voting rights. VARTA AG has only issued shares with full voting rights. Each share grants one vote. The Annual General Meeting is held once a year within the first eight months of the financial year. The Chairman of the Supervisory Board chairs the Annual General Meeting.

The agenda for the Annual General Meeting, including the reports and documents required for the Annual General Meeting, are published on the Company's website.

The Annual General Meeting resolves on all matters assigned to it by law, in particular on the appropriation of profit, the election of the Supervisory Board, the formal discharge of the members of the Executive Board and Supervisory Board, the appointment of the auditor and on amendments to the Articles of Association and capital measures. All shareholders are entitled to attend the Annual General Meeting.

To facilitate the personal exercise of their rights, VARTA AG provides shareholders with a proxy for the ordinary General Meeting, who is bound by instructions. The notice convening the Annual General Meeting gives an explanation on how instructions on the exercise of voting rights can be issued in the run-up to the Annual General Meeting. Shareholders are also free to appoint a proxy of their choice to represent them. Proxy forms are included in the admission ticket issued to shareholders.

The 2022 Annual General Meeting was held as a virtual Annual General Meeting in accordance with the Covid-19 Act.

Transparency

VARTA AG uses its website to provide investors with timely information: www.varta-ag.com. In addition to the annual report and interim financial reports, shareholders and third parties are informed about current developments in the form of ad hoc announcements and financial notifications or press releases. VARTA AG publishes a financial calendar that contains all the Company's key dates and publications with sufficient advance notice.

Reportable Securities Transactions, Significant Voting Rights and Notifiable Shareholdings

In accordance with the regulations of the Market Abuse Regulation (MAR), VARTA AG publishes its Directors' Dealings notifications pursuant to Art. 19 MAR without delay. These constitute notifications by members of the Executive Board and the Supervisory Board and of other persons who perform management tasks at VARTA AG within the meaning of Art. 19 MAR, as well as natural persons and legal entities closely related to such persons, about securities transactions with reference to VARTA shares. The notifications are also published on the Company's website under www.varta-ag.com/de/investoren/corporate-governance.

Pursuant to Section 40 WpHG (German Securities Trading Act), the Company publishes without undue delay, no later than three trading days after receipt, notifications on the acquisition or disposal of significant voting shares or on the holding of corresponding financial instruments (information pursuant to Section 33 (1) Sentence 1, (2) and Section 38 (1) Sentence 1 as well as Section 39 (1) Sentence 1 of the German Securities Trading Act (WpHG) or pursuant to corresponding provisions of other member states of the European Union or other signatory states to the Agreement on the European Economic Area).

Shareholdings and Share Transactions of the Executive Board and Supervisory Board

At the end of financial year 2022, the individual ownership of shares in the Company or related financial instruments by members of the Executive Board and Supervisory Board was as follows:

- Dr Markus Hackstein, Spokesperson for the Executive Board (0.004 %)
- Rainer Hald, CTO (0.021 %)
- Armin Hessenberger, CFO (0.0015 %)
- Herbert Schein, formerly CEO (0.34 %)
- DDr Michael Tojner as Chairman of the Supervisory Board of VARTA AG and main shareholder of Montana Tech Components AG, Reinach (Switzerland), holds a 50.03% stake in VARTA AG via its subsidiary VGG SE, Vienna (Austria).
- Dr Michael Pistauer, as a member of the Supervisory Board of VARTA AG, holds 0.005% of the shares in VARTA AG via PI Beratungs- und Beteiligungsgesellschaft mbH (Austria).
- Sven Quandt, as a member of the Supervisory Board of VARTA AG, holds 0.015% of the shares in VARTA AG via S.Qu.Vermögensberatung GmbH & Co.KG (Germany).
- Martin Ohneberg, as a member of the Supervisory Board of VARTA AG, holds a 0.023 % stake in VARTA AG via XORIS GmbH.

Remuneration Report and Remuneration System

VARTA AG reports on the remuneration of the Executive Board and the Supervisory Board for financial year 2022 within the framework of a remuneration report for VARTA AG and the Group. The remuneration report pursuant to Section 162 of the German Stock Corporation Act (AktG) for the financial year 2022 with the

auditor's report on the audit of the remuneration report is available on the VARTA AG website under: <https://www.varta-ag.com/de/ueber-varta/unternehmen/vorstand-der-varta-ag>.

The remuneration system applying to members of the Executive Board and the Supervisory Board and the latest resolutions passed by the Annual General Meeting on the remuneration systems pertaining to the Executive Board and the Supervisory Board, as well as the remuneration relating to the Supervisory Board, are accessible on the website of VARTA AG at: <https://www.varta-ag.com/de/ueber-varta/unternehmen/vorstand-der-varta-ag> and <https://www.varta-ag.com/de/ueber-varta/unternehmen/aufsichtsrat>.

Compliance and Risk Management

Compliance with the law, internal and external regulations and the responsible handling of risks are part of corporate governance at VARTA. Our compliance management system is part of the Company's internal control and risk management system. The internal control and risk management system ensures risk-conscious, opportunity-oriented and informed action in a dynamic business environment, in this way ensuring VARTA's competitiveness and sustainable success. It also covers sustainability-related objectives. The internal control, reporting and compliance structures are regularly reviewed, further developed and adapted to changing conditions.

Our aim is to inform institutional investors, private shareholders, financial analysts, business partners, employees and the interested public simultaneously and equally on the position of the Company by means of regular, transparent and up-to-date communication. We publish all key information on our website, such as press releases, ad hoc announcements and voting rights notifications, as well as presentations from roadshows and conferences, all financial reports and the financial calendar. As part of our comprehensive investor relations remit, we are in constant close contact with current and potential shareholders.

In addition, all documents and information relating to our Annual General Meeting are also available on our website. VARTA AG shareholders exercise their rights at the Annual General Meeting, during which they participate in votes. Each share grants one vote. Our shareholders are involved in all fundamental decisions of the Annual General Meeting through their participation rights. Our Annual General Meeting will take place on 11 July 2023.

Pursuant to Section 315e (1) of the German Commercial Code (HGB), the consolidated financial statements of VARTA AG and its subsidiaries for financial year 2022 were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the supplementary provisions of German commercial law contained in Section 315a (2) HGB. The standards of the IASB applicable on the reporting date, which have been endorsed by the European Union, are applied here. The term IFRS also comprises the International Accounting Standards (IAS), which remain valid. The interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), application of which is obligatory on 31 December 2022, were also applied.

The consolidated financial statements and the group management report of VARTA Aktiengesellschaft were released by the Executive Board for forwarding to the Supervisory Board by resolution of April 28, 2023. The annual financial statements and consolidated financial statements approved by the Supervisory Board, together with the management reports, will be submitted to the forthcoming Annual General Meeting for information. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft was appointed by the Annual

General Meeting as the auditor for the annual financial statements and the consolidated financial statements for 2022. The Supervisory Board had previously satisfied itself of the auditor's independence.

Ellwangen, April 2023

Executive Board and Supervisory Board
VARTA AG