

## **VIII. Corporate governance statement**

In this corporate governance statement, we report on the principles of corporate management and corporate management practices and on significant structures of our corporate governance for the past fiscal year in accordance with sections 289f and 315d HGB, each in the applicable version pursuant to section 83 (1) sentence 2 EGHGB. It also includes the Declaration of Conformity pursuant to section 161 AktG.

The corporate governance statement is part of the combined management report for HENSOLDT AG and the Group. In accordance with section 317 (2) sentence 6 HGB, the auditor's examination of the statements pursuant to section 289f (2) and (5) and § 315d HGB is limited to whether the statements have been made.

### **1. Fundamentals**

HENSOLDT promotes the principles of good corporate governance in the sense of responsible, transparent corporate management and control aimed at increasing the value of the Company in the long term. This is a prerequisite for promoting the trust of national and international investors and financial markets, business partners, employees and the public in HENSOLDT. HENSOLDT bases its activities on the recommendations and suggestions of the German Corporate Governance Code ("Code").

### **2. Declaration of conformity pursuant to section 161 AktG as amended on December 16, 2019, published in the Federal Gazette on May 20, 2020**

The Management Board and Supervisory Board of HENSOLDT AG were not subject to the obligation under section 161 AktG to issue a declaration of conformity with the Code throughout the entire fiscal year. With the admission of shares of HENSOLDT AG to the Frankfurt Stock Exchange on September 24, 2020, this obligation arose for the Management Board and the Supervisory Board. The Management Board and Supervisory Board issued the following declaration on the Code on March 5, 2021:

"The Management Board and the Supervisory Board declare that since the admission of the shares of HENSOLDT AG, the Company has complied with the Government Commission on the German Corporate Governance Code in the version of December 16, 2019, published in the official section of the Federal Gazette (Bundesanzeiger) on May 20, 2020, with the following exception:

Until now, recommendation G.4 has not been complied with as the Supervisory Board will only deal with the remuneration topics in connection with the adoption of the proposed resolution on the remuneration system at the shareholders' meeting in 2021. The Supervisory Board intends to take recommendation G.4 into account. The Company will thus comply with all recommendations in the future.

Taufkirchen, March 5, 2021

**HENSOLDT AG**

Management Board

Supervisory Board"

The latest declaration of Conformity, as printed above, is available on the Company's website. Future declarations of conformity by the Company shall also be published there, and in the future, the respective declarations of conformity for the last five fiscal years will be available.

### 3. Disclosures on corporate governance practices

#### 3.1. Principles

HENSOLDT is named after Moritz Hensoldt (1821-1903). He was a German pioneer in optics and precision engineering. He developed innovative technologies, which at the time revolutionized the possibilities in the fields of surveillance and reconnaissance. We still see his entrepreneurial spirit today as the key to fulfilling our mission for our customers. For this purpose, we have introduced four principles: "Collaboration" is the foundation of our culture, our most important principle. Therefore, our motto is "We are a team" - we can only innovate and succeed together. Motivated employees who take responsibility, who work together, who respect and trust each other, and who use their individual strengths to work for our Company are at the heart of a successful and well-functioning collaboration. "Continuous Improvement", "Responsibility" and "Innovation" are the three other principles.

#### 3.2. Suggestions of the Code

In the reporting period, HENSOLDT voluntarily complied with the suggestions of the Code with the following exceptions:

- At the time of this statement, it is unclear whether, in the event of a takeover bid, the Management Board would convene an extraordinary shareholders' meeting at which the shareholders would discuss the takeover bid and, if necessary, decide on measures under company law (suggestion A.5). The Management Board would make this decision depending on the content of any takeover bid and the specific need for discussion and decision in each individual case, taking into account the expense of an extraordinary shareholders' meeting.

#### 3.3. Standards of Business Conduct

HENSOLDT is committed to the core values of integrity, quality, trust and innovation, thus securing tomorrow's success. Regardless in which business area HENSOLDT is active or which professional tasks HENSOLDT performs – HENSOLDT gains the trust of colleagues and stakeholders not only with what HENSOLDT does, but also with how HENSOLDT does it. "Doing the right thing" is not always easy, especially in the complex, international and highly regulated business environment in which HENSOLDT operates. The Standards of Business Conduct provide valuable guidance on key ethical and compliance issues and explain the mutual rights and obligations of employees and the HENSOLDT Group. As it is also important for HENSOLDT that the high standards regarding accountability are met by suppliers, HENSOLDT requires its suppliers to follow the same rules of conduct.

HENSOLDT's Standards of Business Conduct are available on the Company's website.

#### 3.4. Compliance

HENSOLDT's compliance program aims to ensure the compatibility of its business activities with applicable law and regulations, but also with ethical principles, and to develop a culture of integrity. To achieve this, HENSOLDT developed and implemented a comprehensive compliance program specifically designed for the individual risk profile. If business proposals are submitted, which HENSOLDT believes involve compliance risks that are inconsistent with its values and zero-tolerance policy, we do not hesitate to reject these business opportunities.

HENSOLDT has implemented several compliance policies and procedures, including a counterparty due diligence directive, a gifts and hospitality directive, an investigation policy, a privacy policy and an offset compliance policy. One of the focal points of the compliance system is the prevention of corrup-

tion; to this end, HENSOLDT has developed an anti-corruption policy and has devoted particular attention and resources to dealing with the typical industry risk of engaging commercial agents and other third parties.

HENSOLDT's compliance process is further supported by the internal audit department, which is involved in conducting regular compliance-focused audits. HENSOLDT additionally conducts regular risk analysis to update risk assessments and improve compliance processes.

In addition, HENSOLDT has established a whistleblower system, which allows employees and external parties to report violations in person or anonymously via an "OpenLine" (anonymous telephone and e-mail hotline). HENSOLDT's compliance organization includes eleven employees as of December 31, 2020, and reports directly to the general counsel, who reports to the CEO. The Head of Compliance also reports regularly to the Compliance Committee of HENSOLDT's Supervisory Board. In addition to the Head of Compliance, eight Compliance Officers (full-time) are currently employed. Besides, there are compliance contacts in subordinate companies who report to the central compliance organization. Training courses are held both virtually and in person. For this purpose, IT tools are being used. These tools are used in particular as part of due diligence to screen potential business partners. The Management Board of HENSOLDT regularly communicates on the compliance organization via internal communication media.

Further information on the compliance organization can be found on the Company's Website.

### **3.5. Risk and control management**

Functioning control systems are an essential component of stable business processes. HENSOLDT's Group-wide control systems are embedded in an overall concept, which, among other things, takes into account statutory regulations, the recommendations of the Code, international regulations and recommendations, and other company-specific guidelines. The responsible persons for the individual elements of the control system are in close contact with each other and with the Management Board and report regularly to the Supervisory Board or its committees. Similarly, the Group has a Group-wide risk management system in place, which describes and regulates functions, processes and responsibilities in a binding manner. Key features of the internal control and risk management system are explained in chapter "IV. Opportunities and risks report".

### **3.6. Sustainability**

HENSOLDT is aware of the special responsibility and knows the impact of the activities on society and the environment. HENSOLDT is committed to conducting its business sustainably and responsibly at all times. The Long Term Incentive bonus components for the Management Board members are among other criteria based on the achievement of the ESG targets "Diversity" and "Climate Impact". Further information on sustainability (ESG) can be found in chapter V. "Non-financial group Statement" and on the Company's website and further information on the Management Board remuneration and relevant target criteria in the chapter VI. "Remuneration report".

### **3.7. Shareholders and shareholders' meeting**

The shareholders of HENSOLDT AG exercise their rights at the shareholders' meeting. The shareholders' meeting decides on all matters assigned to it by law, including the appropriation of profits, the discharge of the Management Board and the Supervisory Board, and the election of the auditor. The shareholders' meeting also elects the Supervisory Board members representing the shareholders. By using electronic means of communication, especially the internet, the Management Board extends the possibilities for shareholders to follow the speeches of the Chairman of the Supervisory Board as well as of the members of the Management Board and enables shareholders to be represented by proxies designated by the Company when exercising their voting rights.

The reports, documents and information required by law for the shareholders' meeting, including the annual report as well as the agenda for the shareholders' meeting and any counter motions or election proposals from shareholders, which have to be made accessible, are available on the internet.

The first shareholders' meeting after the IPO of HENSOLDT AG will take place on May 18, 2021. Due to the ongoing COVID-19 pandemic and the resulting uncertainty with regard to holding a meeting in person, the shareholders' meeting will be held as a virtual meeting without the physical presence of shareholders or their representatives in order to protect employees and shareholders in accordance with applicable legal requirements.

### **3.8. Management Board and Supervisory Board Shareholdings**

Pursuant to article 19 of Regulation (EU) No. 596/2014 on market abuse, members of the Management Board and the Supervisory Board as well as persons closely associated with them are legally obliged under certain circumstances to disclose transactions made in shares of HENSOLDT AG or in derivatives relating thereto or in other related financial instruments.

A process is established to properly disclose these transactions in the event of such notification. The reported transactions are available on HENSOLDT's website in the Corporate Governance section.

### **3.9. Corporate communication and transparency**

Corporate Communications provides comprehensive and timely information. All mandatory publications are made available on HENSOLDT's website in the Investor Relations section. Numerous publications, for example ad hoc announcements, press releases and interim and annual reports, are issued in German and English. HENSOLDT organizes press conferences and conference calls on important occasions. The Management Board is responsible for HENSOLDT's communication with shareholders, shareholder associations, financial analysts, the media and the interested public on the Company's development and significant events. In addition, the Chairman of the Supervisory Board participates to an appropriate extent in investor meetings in close consultation with the Management Board, to the extent in which such meetings relate to the work and tasks of the Supervisory Board. The current financial calendar, which provides information on all significant publication and event dates, is also available on the website.

The Company's statute, the rules of procedure of the Supervisory Board, as well as the report of the Supervisory Board, the Declaration of Conformity, and the Corporate Governance Report, each as of the 2020 fiscal year, are available on our website in the Corporate Governance section. A remuneration report on the last fiscal year pursuant to section 162 AktG and an auditor's report pursuant to section 162 AktG as well as the resolutions of the shareholders' meeting on the remuneration of the Management Board and Supervisory Board have not yet been prepared or adopted in accordance with the applicable transitional regulations. A remuneration report containing further information on the remuneration system for the Management Board and the Supervisory Board as well as the individualized disclosure of the remuneration of the members of these Boards in the 2020 fiscal year is available under "VI. Remuneration report". The remuneration resolutions for the Management Board and Supervisory Board will be on the agenda of the first annual shareholders' meeting on May 18, 2021; the corresponding explanations on the remuneration systems required by law will be included in the notice of the annual shareholders' meeting. Immediately after the annual shareholders' meeting, the above-mentioned documents will also be available on the Company's website where they will remain publicly accessible in accordance with statutory requirements.

## 4. Working methods of Management Board and Supervisory Board

The actions of the Management Board and Supervisory Board of HENSOLDT AG are based on the principle of responsible corporate management and control (corporate governance). The cooperation between the two committees is characterized by mutual trust.

On the basis of section 90 AktG, the Management Board informs the Supervisory Board regularly, promptly, comprehensively and generally in text form about all issues of strategy, planning, business development, risk situation, risk management and compliance that are relevant to the Company. The Management Board discusses the status of strategy implementation with the Supervisory Board at regular intervals and addresses any deviations in the course of business from adopted plans and targets, including an explanation regarding the reasons. The Chairmen of the two boards meet regularly to discuss all relevant current issues, also at short notice and with regard to specific events.

### 4.1. Management Board of HENSOLDT AG

#### Working methods of the Management Board

The Management Board manages the Company on its own responsibility. In doing so, it is bound to the interests of the Company and committed to increasing the sustainable value of the Company. The board's main tasks include defining the Company's objectives and strategic direction, managing and monitoring the operating units, and establishing and monitoring an efficient risk management system. The Management Board is responsible for the preparation of the consolidated financial statements and the annual financial statements as well as the preparation of interim financial information of HENSOLDT AG. The Management Board is also responsible for ensuring compliance with legal requirements and official regulations.

The members of the Management Board are jointly responsible for the overall management of the Company and its direct and indirect subsidiaries within the meaning of section 290 HGB ("subsidiaries" and the Company together with its subsidiaries the "HENSOLDT-Group"). They work together as colleagues and inform each other on an ongoing basis about important measures and events within their respective areas of responsibility. Irrespective of the overall responsibility, each member of the Management Board is responsible for managing the area of responsibility assigned to them. As far as measures and transactions of one area of responsibility simultaneously affect another or several other areas of responsibility, the respective member of the Management Board must first reach agreement with the other member(s) involved. If no agreement can be reached, each member of the Management Board involved is obliged to bring about a resolution by the Management Board.

The current Management Board has three functional responsibilities, namely the position of Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Human Resources Officer (CHRO), with the CHRO also serving as Labor Director. The business allocation plan assigns specific business areas to the respective Management Board members; the business allocation plan is reviewed by the Supervisory Board in regular intervals and adjusted as necessary. At present, the CEO's portfolio includes responsibility for the division Radar, IFF & COMMS, the division Spectrum Dominance & Airborne Solutions, the Division Optronics and the Division Customer Services. The CEO is also responsible for Business Development and Sales, as well as Customer Support/Space, Operations/Productions (including R&D), Legal & Compliance, HENSOLDT France, as well as Strategic Programs and Strategy/M&A activities and PMI. The CFO is primarily responsible for the departments Finance & Controlling, Treasury, Investor Relations, Commercial & Offset, Internal Audit, as well as other related programs and tasks (Enterprise Risk Management, Information Management and "HENSOLDT GO!"). In addition to Human Resources, the CHRO is also responsible for Security and Corporate Social Responsibility, Facility Management and Health, Safety and Environment. Within their respective functional areas of responsibility, the members of the Management Board each have – relating to all parts of the Company – the authority to issue directives, the duty of supervision and the duty to coordinate, without prejudice to the continuing overall responsibility of the Management Board. This also applies towards the heads

of entities with their own legal form and towards HENSOLDT-Group companies abroad, unless this is not legally permissible in individual cases.

The detailed structure of the work of the Management Board is determined by the rules of procedure, which is issued by the Supervisory Board; the Supervisory Board review the rules of procedure on a regular basis to determine whether any adjustments are required. These rules of procedure govern, among other things, matters reserved for a decision by the whole Management Board, special measures requiring the approval of the Supervisory Board as well as other procedural and resolution modalities. The Management Board meets regularly at Management Board meetings. These are convened by the Chairman of the Management Board, who coordinates the work of the Management Board. Any member of the Management Board may request the convening of a meeting. In accordance with the rules of procedure, the Management Board regularly adopts resolutions by a simple majority of the members participating in the resolution. In the event of a tie, the vote of the Chairman of the Management Board shall be decisive.

### **Composition of the Management Board**

Pursuant to section 6 (1) of the statute, the Management Board of HENSOLDT AG consists of at least two persons. In the reporting period, the Management Board comprised three members: Thomas Müller as Chairman (CEO), Axel Salzmann as CFO and Peter Fieser as CHRO.

Further information on the composition as well as the CVs, term of appointment and areas of responsibility of the individual Management Board members can be found on the Company's website, as is information on other mandates held by members of the Management Board. In addition, the composition of the Management Board is presented in the Notes to the Consolidated Financial Statements.

The members of the Management Board are appointed by the Supervisory Board on the proposal of the Executive Committee. In any appointment decisions, the Supervisory Board takes into account diversity aspects such as age, gender, educational or professional background. In particular, the Supervisory Board aims to give appropriate consideration to women. The flexible age limit for members of the Management Board stipulates that members of the Management Board should generally not be older than 65. The flexible age limit is formulated in a soft way in order to retain a certain degree of flexibility to the Supervisory Board in its appointment decisions.

The current members of the Management Board were already part of the management of the HENSOLDT-Group prior to the IPO. It was intended not to make any changes to the proven composition of the management team in the context of the IPO. Therefore, both Thomas Müller and Axel Salzmann will be 66 years old at the currently scheduled end of their respective terms of appointment at September 20, 2024, which leads to a deviation from the standard age limit set for the Management Board. In future appointment decisions including the event of a possible expansion of the Management Board, the Supervisory Board will take the diversity aspects mentioned above into account in its decision-making and, will in consideration of the professional competencies of the candidates, strive for the most diverse possible composition of the Management Board.

For further information on the representation of women in the Boards, please refer to the chapter "4.4 Disclosure on the representation of women on the Management Board and Supervisory Board and at the top management levels of HENSOLDT AG".

As part of the succession planning for the Management Board, the Chairman of the Supervisory Board, who is also the Chairman of the Executive Committee, regularly discusses suitable internal candidates with the Management Board. In addition, the Executive Committee will also evaluate external candidates for Management Board positions as required and, if necessary, will seek the help of external service providers.

### **Management Board remuneration**

Information on the remuneration and the remuneration system for the Management Board in the past fiscal year can be found in the chapter "VI. Remuneration report".

## 4.2. Supervisory Board of HENSOLDT AG

### Working methods of the Supervisory Board

The Supervisory Board monitors and advises the Management Board in the management of the Company. It supports the Management Board in major business decisions and assists in matters of strategic importance. Measures requiring the approval of the Supervisory Board have been defined by the Supervisory Board in the rules of procedure for the Management Board. Furthermore, the Supervisory Board appoints the members of the Management Board, determines their total remuneration and reviews the consolidated and annual financial statements of HENSOLDT AG, the combined management report including the combined non-financial statement and the report of the Management Board on relations with affiliated companies (dependency report).

At least two Supervisory Board meetings are held each calendar half-year. Extraordinary meetings are held as required. The committees also hold regular meetings. The resolutions of the Supervisory Board require a majority of the votes cast, unless otherwise stipulated by law. If a vote results in a tie, each member of the Supervisory Board has the right to demand a new vote on the same matter. If this also results in a tie, the Chairman has two votes. In the past fiscal year, no issues were discussed which would have required a meeting of the Supervisory Board without the presence of the Management Board. However, insofar as the Executive Committee meets in the future or the Supervisory Board as a whole discusses in particular issues of personnel planning and remuneration and its self-assessment, it is planned to meet without the presence of the Management Board if necessary. The Supervisory Board has adopted rules of procedure for itself, which are published on the Company's website.

HENSOLDT considers the regularly review of the effectiveness of the Supervisory Board's work in accordance with recommendation D.13 of the Code as an important component of good corporate governance. In order to be able to cover a complete year of the activities of the supervisory board of a listed company for the corresponding self-evaluation, a self-evaluation shall be carried out for the first time in November 2021 or at the first meeting in 2022.

In principle, members of the Supervisory Board take responsibility for the training and continuing education measures required for their duties. If necessary, they are supported by the Company to an appropriate extent. To support the Supervisory Board in the induction of any new members, an induction process has been established in which the members of the Supervisory Board are familiarized with the main characteristics of HENSOLDT and its business activities as well as the legal requirements and internal processes relevant to their work on the Supervisory Board.

Details of the Supervisory Board's activities, including the number of meetings and information on the attendance of Supervisory Board members at meetings in the 2020 fiscal year, are provided within the "Report of the Supervisory Board".

### Composition of the Supervisory Board

The Supervisory Board has 12 members and, in accordance with the requirements of the German Co-determination Act (MitbestG), is composed of an equal number of shareholder and employee representatives. The rules of procedure of the Supervisory Board stipulate that the Supervisory Board shall be composed in such a way that its members as a whole possess the knowledge, skills and professional experience required to properly perform their duties and that the statutory gender quota is complied with.

In the fiscal year 2020, the Supervisory Board comprised the following members:

<b>Johannes P. Huth</b> Chairman of Supervisory Board  Partner at KKR and Head of KKR EMEA	Member of the Supervisory Board since: 2017
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Born 1960	Appointed until: 2025 <b>Memberships in other statutory supervisory boards in Germany</b> <ul style="list-style-type: none"> <li>Member of the Supervisory Board at HENSOLDT Holding GmbH* until third quarter of 2020</li> <li>Member of the Supervisory Board of Axel Springer SE</li> </ul> <b>Memberships in other comparable domestic and foreign control bodies of commercial enterprises</b> <ul style="list-style-type: none"> <li>Member of the Board of Coty Inc.</li> </ul> <p>Based on the assessment of the Supervisory Board, the Supervisory Board member is independent of the Company and its Management Board.</p>
<b>Armin Maier-Junker</b> Vice Chairman of Supervisory Board  Chairman of the Works Council of HENSOLDT Sensors GmbH at the site in Ulm; Chairman of the Central Works Council of HENSOLDT Sensors GmbH and Chairman of the Groups Works Council Born 1962	Member of the Supervisory Board since: 2017 Appointed by the court until completion of the employee elections, which is expected in 2021  <b>Memberships in other statutory supervisory boards in Germany</b> <ul style="list-style-type: none"> <li>Member of the Supervisory Board of HENSOLDT Holding GmbH* until third quarter of 2020</li> <li>Member of the Supervisory Board of HENSOLDT Sensors GmbH*</li> </ul> <b>Memberships in other comparable domestic and foreign control bodies of commercial enterprises</b> <ul style="list-style-type: none"> <li>None</li> </ul> Employee representative
<b>Jürgen Bühl</b>  Head of the Industry Policy Co-ordination department in the Management Board of IG Metall Born 1969	Member of the Supervisory Board since: 2017 Appointed by the court until completion of the employee elections, which is expected in 2021  <b>Memberships in other statutory supervisory boards in Germany</b> <ul style="list-style-type: none"> <li>Member of the Supervisory Board of HENSOLDT Sensors GmbH* from March 1, 2020</li> <li>Member of the Supervisory Board of HENSOLDT Holding GmbH* until third quarter of 2020</li> </ul> <b>Memberships in other comparable domestic and foreign control bodies of commercial enterprises</b> <ul style="list-style-type: none"> <li>None</li> </ul> Employee representative

<b>Dr. Frank Döngi</b>  Head of product line Airborne, Space & ISR Radars and of product line Eurofighter Radar of HENSOLDT Sensors GmbH; Born 1966	Member of the Supervisory Board since: 2020 Appointed by the court until completion of the employee elections, which is expected in 2021  <b>Memberships in other statutory supervisory boards in Germany</b> <ul style="list-style-type: none"> <li>Member of the Supervisory Board of HENSOLDT Holding GmbH* until third quarter of 2020</li> <li>Member of the Supervisory Board of HENSOLDT Sensors GmbH* from February 15, 2020</li> </ul> <b>Memberships in other comparable domestic and foreign control bodies of commercial enterprises</b> <ul style="list-style-type: none"> <li>None</li> </ul> Employee representative
<b>Winfried Fetzer</b>  Chairman of the Works Council of HENSOLDT Optronics GmbH in Oberkochen; Member of the Groups Works Council Born 1959	Member of the Supervisory Board since: 2017 (retired as of December 31, 2020)  <b>Memberships in other statutory supervisory boards in Germany</b> <ul style="list-style-type: none"> <li>Member of the Supervisory Board of HENSOLDT Holding GmbH* until third quarter of 2020</li> <li>Member of the Supervisory Board of HENSOLDT Optronics GmbH*</li> </ul> <b>Memberships in other comparable domestic and foreign control bodies of commercial enterprises</b> <ul style="list-style-type: none"> <li>None</li> </ul> Employee representative
<b>Prof. Wolfgang Ischinger</b>  Chairman of the Foundation Munich Security Conference; Senior Professor for security policy and diplomatic practice at the Hertie School of Governance in Berlin; Honorary professor at the University Tübingen Born 1946	Member of the Supervisory Board since: 2017 Appointed until: 2025  <b>Memberships in other statutory supervisory boards in Germany</b> <ul style="list-style-type: none"> <li>Member of the Supervisory Board of HENSOLDT Holding GmbH* until third quarter of 2020</li> </ul> <b>Memberships in other comparable domestic and foreign control bodies of commercial enterprises</b> <ul style="list-style-type: none"> <li>None</li> </ul> Based on the assessment of the Supervisory Board, the Supervisory Board member is independent of the Company and its Management Board as well as of the controlling shareholder.

<p><b>Ingrid Jägering</b></p> <p>Member of the Management Board, CFO and Labor Director at Leoni AG Born 1966</p>	<p>Member of the Supervisory Board since: 2017 Appointed until: 2025</p> <p><b>Memberships in other statutory supervisory boards in Germany</b></p> <ul style="list-style-type: none"> <li>Member of the Supervisory Board of HENSOLDT Holding GmbH* until third quarter of 2020</li> </ul> <p><b>Memberships in other comparable domestic and foreign control bodies of commercial enterprises</b></p> <ul style="list-style-type: none"> <li>Independent member of the Board of Directors of SAF Holland S.A.</li> </ul> <p>Based on the assessment of the Supervisory Board, the Supervisory Board member is independent of the Company and its Management Board as well as of the controlling shareholder.</p>
<p><b>Marion Koch</b></p> <p>Member of the Work Council of HENSOLDT Sensors GmbH at the site in Immenstaad and Member of the Group Work Council; Project Manager in the product line Airborne, Space &amp; ISR Radars of HENSOLDT Sensors GmbH Born 1978</p>	<p>Member of the Supervisory Board since: 2020 Appointed by the court until completion of the employee elections, which is expected in 2021</p> <p><b>Memberships in other statutory supervisory boards in Germany</b></p> <ul style="list-style-type: none"> <li>None</li> </ul> <p><b>Memberships in other comparable domestic and foreign control bodies of commercial enterprises</b></p> <ul style="list-style-type: none"> <li>None</li> </ul> <p>Employee representative</p>
<p><b>Christian Ollig</b></p> <p>Partner at KKR and Head of KKR in Germany, Executive Director of Traviata B.V. Born 1977</p>	<p>Member of the Supervisory Board since: 2017 Appointed until: 2025</p> <p><b>Memberships in other statutory supervisory boards in Germany</b></p> <ul style="list-style-type: none"> <li>Member of the Supervisory Board of HENSOLDT Holding GmbH* until third quarter of 2020</li> <li>Member of the Supervisory Board of ETL AG Steuerberatungsgesellschaft</li> <li>Member of the Supervisory Board at Wella AG</li> </ul> <p><b>Memberships in other comparable domestic and foreign control bodies of commercial enterprises</b></p> <ul style="list-style-type: none"> <li>Member of the Supervisory Board of Upfield Holdings B.V.</li> </ul> <p>Based on the assessment of the Supervisory Board, the Supervisory Board member is independent of the Company and its Management Board.</p>

<p><b>Prof. Dr. Burkhard Schwenker</b></p> <p>Senior Fellow of Roland Berger; Academic Co-Director of the HHL Center for Scenario-Planning Born 1958</p>	<p>Member of the Supervisory Board since: 2017 Appointed until: 2025</p> <p><b>Memberships in other statutory supervisory boards in Germany</b></p> <ul style="list-style-type: none"> <li>• Member of the Supervisory of HENSOLDT Holding GmbH* until third quarter of 2020</li> <li>• Member of the Supervisory Board of Hamburger Hafen and Logistik AG</li> <li>• Member of the Supervisory Board of Hamburger Sparkasse AG</li> <li>• Member of the Supervisory Board of Flughafen Hamburg GmbH</li> <li>• Member of the Supervisory Board of M.M. Warburg &amp; Co. KGaA</li> </ul> <p><b>Memberships in other comparable domestic and foreign control bodies of commercial enterprises</b></p> <ul style="list-style-type: none"> <li>• Member of the Board of Directors of HASPA Finanzholding</li> </ul> <p>Based on the assessment of the Supervisory Board, the Supervisory Board member is independent of the Company and its Management Board as well as of the controlling shareholder.</p>
<p><b>Julia Wahl</b></p> <p>Personal assistant to the district manager of the IG Metall Baden-Württemberg Born 1987</p>	<p>Member of the Supervisory Board since: 2019 Appointed by the court until completion of the employee elections, which is expected in 2021</p> <p><b>Memberships in other statutory supervisory boards in Germany</b></p> <ul style="list-style-type: none"> <li>• Member of the Supervisory Board of HENSOLDT Holding GmbH* until third quarter of 2020</li> <li>• Member of the Supervisory Board of HENSOLDT Sensors GmbH* from January 15, 2019</li> </ul> <p><b>Memberships in other comparable domestic and foreign control bodies of commercial enterprises</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul> <p>Employee representative</p>
<p><b>Claire Wellby</b></p> <p>Member of the Private-Equity-Team of KKR, Vice President of the KKR Show Aggregator GP Limited Born 1988</p>	<p>Member of the Supervisory Board since: 2020 Appointed until: 2025</p> <p><b>Memberships in other statutory supervisory boards in Germany</b></p> <ul style="list-style-type: none"> <li>• Member of the Supervisory Board of HENSOLDT Holding GmbH* until third quarter of 2020</li> <li>• Member of the Supervisory Board of LEONINE Licensing AG</li> </ul> <p><b>Memberships in other comparable domestic and foreign control bodies of commercial enterprises</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul> <p>Based on the assessment of the Supervisory Board, the Supervisory Board member is independent of the Company and its Management Board.</p>

The term of appointment mentioned above is calculated on the basis of the first appointment to the Supervisory Board of the HENSOLDT Holding GmbH respectively HENSOLDT GmbH, which means before the change of the legal form of the Company into a public limited company (AG) as of August 17, 2020. Mandates within the HENSOLDT-Group are marked with a star (\*). Winfried Fetzer resigned from the Supervisory Board as of December 31, 2020. As his successor, Ingo Zeeh (born 1983), a member of the Works Council of HENSOLDT Optronics GmbH, was appointed to the Supervisory Board by court order on January 15, 2021, for the remaining term of Winfried Fetzer.

In accordance with the rules of procedure, the Supervisory Board shall adopt a competence profile, which takes into account the recommendations of the Code and specifies concrete objectives for its composition. Based on the competence profile prepared by the Supervisory Board and in consideration of the areas of operation of the HENSOLDT Group, the essential competences in particular include, in-depth experience and knowledge in the management of an international company, in the area of digitalization and information technology, in the area of human resources management and recruitment, in accounting and financial reporting, in controlling/ risk management as well as in the area of corporate governance and compliance including the regulatory requirements relevant for HENSOLDT. In addition, the Supervisory Board shall have knowledge and experience in the area of international security policy. Besides the appropriate representation of all gender identities and age groups, proposals for elections to the Supervisory Board will also take into account different educational backgrounds and the most diverse possible cultural and regional origins of the members of the Supervisory Board.

The competence profile also provides rules on the independence of Supervisory Board members and on the limitation of other mandates held in line with the relevant recommendations and suggestions of the Code. A standard length of service of twelve years has been included. This competence profile is to be critically reviewed again after the first self-assessment of the Supervisory Board.

Based on its work up to date, the Supervisory Board has gained the impression that, on an overall basis, the competencies which are considered essential for the board's work relating HENSOLDT AG and the HENSOLDT Group are represented on the Supervisory Board. The Supervisory Board members as a whole are familiar with the industry in which HENSOLDT operates. On the shareholder side in particular, a significant number of members have many years of international experience in the management of an internationally operating company, Corporate Governance and Compliance, and Human Resources issues. With the Chairwoman of the Audit Committee, Ingrid Jägering, at least one member of the Supervisory Board has proven expertise in the fields of accounting or auditing. In addition, the Chairman of the Supervisory Board as well as Mr. Ollig and Ms. Wellby have in-depth knowledge in this area. Several members have experience in implementing digital processes. Mr. Prof. Ischinger supports the Supervisory Board, in particular, with his in-depth knowledge of the international security policy. Mr. Prof. Dr. Schwenker also contributes considerable experience in the area of committee work and thus also governance. In addition, from the Supervisory Board's point of view, the employee side in particular ensures that the interests of numerous stakeholders are adequately taken into account within the work of the Supervisory Board.

The rules of procedure of the Supervisory Board contain a flexible provision on age limits. Accordingly, only persons who are not older than 70 should be proposed for election. This standard age limit is currently exceeded by only one Supervisory Board member, namely Mr. Prof. Ischinger, whose experience, skills and network are of considerable value to the Company. In this case, exceeding the standard age limit when proposing the election was and continues to be irrelevant from the Supervisory Board's point of view.

For further information on the representation of women in the Boards, please refer to the chapter "4.4 Disclosure on the representation of women on the Management Board and Supervisory Board and at the top management levels of HENSOLDT AG".

In future proposals to the shareholders' meeting for the election of shareholder representatives, the Supervisory Board will take into account its competence profile and the objectives for the composition

of the Supervisory Board, which are included in this profile, as well as diversity aspects. In addition, the Supervisory Board will take the time commitment of the proposed persons into account when making proposals to the shareholders' meeting for the election of shareholder representatives.

### **Prevention of conflicts of interest and independence**

Each member of the Supervisory Board must disclose conflicts of interest to the Supervisory Board. Information about conflicts of interest that arose in the past fiscal year and their handling is provided in the "Report of the Supervisory Board".

The Supervisory Board assessed by taking into account the ownership structure of HENSOLDT AG, that an appropriate number of shareholder representatives are independent by definition of the Code. On the shareholder representative's side, the Supervisory Board considers Ingrid Jägering, Prof. Ischinger and Prof. Dr. Burkhard Schwenker to be independent of the Company, its Management Board and of the controlling shareholder, thus three of the total of six shareholder representatives. Consequently recommendation C.9 (1) of the Code is complied with.

The right of the Federal Republic of Germany to appoint a member of the Supervisory Board, as provided for in section 8 (2) of the statute, has not yet been exercised. Moreover, this does not generally affect the independence of a Supervisory Board member, according to the assessment of the Supervisory Board. On the one hand, the statute stipulates that such a Supervisory Board member may not be a civil servant or employee of the Federal Republic of Germany, another regional authority or an institution under public law. On the other hand, in the opinion of the Supervisory Board, the Federal Republic of Germany is not a controlling shareholder in line with the meaning of recommendation C.9 of the Code, as no control agreement has been concluded with the Federal Republic of Germany, nor does the Federal Republic of Germany hold an absolute majority of votes or any other sustainable majority at the shareholders' meeting.

With regard to recommendation C.9 of the Code, the Supervisory Board does not classify Johannes P. Huth, Christian Ollig and Claire Wellby as independent of the controlling shareholder, because of their status as partner or employees of Kohlberg Kravis Roberts & Co L.P. ("KKR") or companies affiliated with KKR. The Supervisory Board nevertheless assumes that the aforementioned Supervisory Board members are independent of the Management Board and the Company, recommendation C.7 of the Code. In this respect, the Supervisory Board assumes that the existing business relationships between the HENSOLDT-Group on the one hand and companies affiliated with KKR on the other hand were not material for either of the business partners in the past fiscal year.

### **Supervisory Board remuneration**

Information about the remuneration system for the Supervisory Board and on the remuneration of the Supervisory Board in the past fiscal year can be found in chapter "VI. Remuneration report".

## **4.3. Committees of the Supervisory Board**

To the extent permitted by law, the Supervisory Board may transfer some of its duties and rights to one of its committees. In particular, the Supervisory Board reserves the right, if necessary, to form a committee for confidentiality matters to deal with classified information. The committees are each responsible for the tasks assigned to them by resolution of the Supervisory Board or by the rules of procedure adopted by the Supervisory Board, which define these tasks in more detail. The Chairpersons of the committees shall report regularly to the Supervisory Board on the activities of the committees. The responsibilities of the Supervisory Board committees are set out in the rules of procedure for the Supervisory Board. The rules of procedure of the committees essentially correspond to those of the Supervisory Board in a plenary session.

In the reporting year, the Supervisory Board formed six permanent and one temporary committee. More details on the work of the committees in the reporting period, including the number of respective meetings and information on the attendance of committee members at meetings, can be found in the "Report of the Supervisory Board".

### **Executive Committee**

The Executive Committee is composed of the Chairman of the Supervisory Board, his deputy and one further member from both the employee and shareholder sides. In the reporting period, Johannes P. Huth (chairman), Jürgen Bühl<sup>16</sup>, Prof. Wolfgang Ischinger and Armin Maier-Junker<sup>16</sup> were members of the committee. The Executive Committee prepares proposals to the Supervisory Board for the appointment and dismissal of Management Board members and the extension of their mandates, the handling of service contracts with Management Board members, Management Board succession planning, and corporate governance issues. The Executive Committee is responsible for concluding, amending, extending and terminating service contracts with the members of the Management Board within the framework of the remuneration system determined by the Supervisory Board in a plenary session and the shareholders' meeting and within the targets set by the Supervisory Board in a plenary session for the variable remuneration of the individual Management Board members. In addition, the Executive Committee makes proposals to the Supervisory Board for resolutions on existing or anticipated conflicts of interest of members of the Management Board. Furthermore, the Executive Committee makes proposals for the approval of other contracts and transactions between the Company or a subsidiary of the Company on the one hand and a member of the Management Board or persons or companies related to a member of the Management Board on the other hand, unless the Committee for Related Party Transactions is responsible.

### **Audit Committee**

The Audit Committee is composed of two shareholder representatives and two employee representatives. In the reporting period Ingrid Jägering (Chairwoman), Marion Koch<sup>16</sup>, Christian Ollig and Julia Wahl<sup>16</sup> belonged to the committee. The Chairwoman of the Audit Committee, Ingrid Jägering, is independent in the assessment of the Supervisory Board. She has not been a member of the Management Board of HENSOLDT AG in the past, nor does she have any other personal or business relationship with HENSOLDT AG or its institutions, which could constitute a material and not only temporary conflict of interest. She is not simultaneously Chairwoman of the Supervisory Board and has expertise in the fields of accounting and auditing.

The Audit Committee is tasked with reviewing the financial statements and with monitoring the accounting process. In connection with the adoption of the annual financial statements by the Supervisory Board, the Audit Committee undertakes the preliminary review of the annual and consolidated financial statements, the combined management report of HENSOLDT AG and the Group, the sustainability report, the report of the Management Board on relations with affiliated companies (dependency report) and the proposal of the Management Board for the appropriation of balance sheet profit. In addition, the Audit Committee discusses significant changes in audit and accounting methods. The Audit Committee prepares the report of the Supervisory Board to the shareholders' meeting in accordance with section 171 (2) AktG.

The Audit Committee also reviews the effectiveness of the internal control system, the risk management system and the internal auditing system. For this purpose, the Committee discusses the principles of risk identification and risk management with the Management Board and deals with the Company's risk monitoring system. The Audit Committee monitors the Company's compliance with legal provisions, official regulations and the Company's internal policies, where these do not relate to transactions and regulations concerning anti-corruption, antitrust (competition law), data protection and export control, which are duties of the Compliance Committee of the Supervisory Board.

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<sup>16</sup> Employee representative

The Audit Committee prepares the resolution proposal to the shareholders' meeting regarding the election of the auditor for the annual financial statements and the consolidated financial statements as well as any quarterly and half-yearly reports. The Audit Committee monitors the selection and the independence of the auditor. It also oversees the work of the auditor, including the additional services provided by the auditor.

### **Conciliation Committee**

The Conciliation Committee consists of the chairman of the Supervisory Board as chairman of the committee, his deputy elected in accordance with the German Codetermination Act, and one additional representative for each shareholders and employees. In the reporting period Johannes P. Huth (Chairman), Jürgen Bühl<sup>16</sup>, Armin Maier-Junker<sup>Fehler! Textmarke nicht definiert.16</sup> and Christian Ollig were members of the Committee. In the cases set out in section 31 (3) and (5) MitbestG, the Conciliation Committee shall submit proposals to the Supervisory Board for the appointment or withdrawal of the appointment of members of the Management Board.

### **Compliance Committee**

The Compliance Committee is composed of two shareholder representatives and two employee representatives. In the reporting period, Prof. Dr. Burkhard Schwenker (chairman), Dr. Frank Doengi<sup>16</sup>, Winfried Fetzer<sup>16</sup> and Christian Ollig were members of the Committee. The Compliance Committee's task is to monitor the Company's compliance with legal provisions, official regulations and internal Company policies relating to anti-corruption, antitrust (competition law), data protection and export control.

### **Related Party Transactions Committee**

The Related Party Transactions Committee shall be composed of two shareholder representatives and two employee representatives, taking into account that the majority of the Committee shall be composed of members for which no concern of a conflict of interest exists due to their relationship with a related party. In the reporting period, Prof. Dr. Burkhard Schwenker (Chairman), Jürgen Bühl<sup>16</sup>, Prof. Wolfgang Ischinger and Armin Maier-Junker<sup>16</sup> were members of the Committee. Task of the Related Party Transactions Committee is to monitor the Company's internal procedure for the ordinary course of business and the arm's length nature of related party transactions within the meaning of section 111a (1) AktG. Furthermore, the Committee is responsible for the approval of related party transactions in accordance with section 111b AktG. For such transactions, the decision-making authority of the committee takes precedence over the decision-making authority of other committees.

### **Nomination Committee**

The Nomination Committee consists of up to four Supervisory Board members from the shareholder's side. In the reporting period, Johannes P. Huth (Chairman), Prof. Wolfgang Ischinger, Ingrid Jägering and Christian Ollig were members of the Committee. When appointing members to this committee, the Supervisory Board ensures an appropriate representation of women and men. The Nomination Committee proposes suitable candidates to the Supervisory Board for its election proposal to the shareholders' meeting. The Nomination Committee is also responsible for preparing a proposal for the competency profile, reviewing the existing competency profile, and recommending any adjustments.

### **IPO Committee**

In the last fiscal year the Supervisory Board also formed a temporary IPO Committee from August 11, 2020, until October 31, 2020. Johannes P. Huth (Chairman), Jürgen Bühl<sup>16</sup>, Armin Maier-Junker<sup>16</sup> and Christian Ollig were members of the Committee. The IPO Committee performed the duties and authorities of the Supervisory Board with regard to the preparation and implementation of the IPO. This in particular concerned tasks regarding the further implementation of the prospectus approval procedure and the preparation of the admission of the shares of HENSOLDT AG for trading as well as to the capital increase planned in this context and the agreements to be concluded with the accompanying issuing banks, as well as the Square Lux Holding II S.à r.l.

#### **4.4. Disclosures on the representation of women in the Management Board and Supervisory Board and at the top management levels of HENSOLDT AG**

##### **Disclosures on the achievement of the legally required minimum quota for the Supervisory Board pursuant to section 96 (2) Sentence 1 AktG**

The legally required gender quota of 30.0 % in accordance with section 96 (2) AktG applies to the Supervisory Board. To prevent possible unequal treatment of shareholder or employee representatives and to increase planning security in the respective election processes, the shareholder representatives on the Supervisory Board have objected to the overall fulfillment of the quota in accordance with section 96 (2) sentence 2 AktG. This means the shareholder side and the employee side must meet the minimum quota of 30.0 % for each gender separately. The shareholder and employee sides must therefore each include at least two women and at least two men.

In the reporting period, there were two women each on both the shareholder and employee sides. The legally required gender quota was therefore complied with in the past fiscal year.

##### **Determination in accordance with § 111 (5) AktG**

The Supervisory Board of HENSOLDT AG has set a target for the proportion of women on the Management Board in accordance with section 111 (5) AktG. When the target was first set, a minimum target of 25.0 % was set until the end of the first implementation period on August 11, 2025. The proportion of women on the Management Board was zero percent at the time the target was set for the first time.

##### **Determination for the two management levels below the Management Board**

In accordance with section 76 (4) AktG, the Management Board also sets targets for the proportion of women in the two management levels below the Management Board. As of the reporting date of December 31, 2020, HENSOLDT AG, as an individual entity, did not have any management levels below the Management Board. The determination of a target proportion has therefore not yet been made.

Even independently of setting targets for the proportion of women, the Management Board pays attention to diversity when filling management positions within the HENSOLDT Group, particularly with regard to the appropriate representation of all gender identities as well as the international experience and origin of employees.