
BOARD RULES OF

SCHMID GROUP N.V.

ADOPTED ON 30 APRIL 2024

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INTRODUCTION

- (1) These Board Rules have been drawn up pursuant to article 14.4 of the Articles of Association.
- (2) These Board Rules are complementary to the provisions regarding the Board and the Directors as contained in relevant laws and regulations and the Articles of Association.
- (3) These Board Rules are posted on the Company's website.
- (4) The meaning of certain capitalised or uncapitalised terms used in these Board Rules is set forth in Annex 1 (*List of Definitions*). These Board Rules may also contain other definitions in addition to these defined in Annex 1 (*List of Definitions*).

CHAPTER I COMPOSITION, APPOINTMENT AND RESPONSIBILITIES AND DUTIES

1. Composition and Board Profile

- 1.1 The Company is managed by a Board consisting of one or more Executive Directors and one or more Non-Executive Directors.
- 1.2 The Non-Executive Directors shall prepare a Board Profile and a D&I Policy.
- 1.3 The composition of the Board shall be determined taking into consideration the Board Profile and the D&I Policy. If any of the criteria in the Board Profile are not met, the Board will remain validly constituted and operational. In such case, however, the Board shall endeavor to meet any unsatisfied criteria as soon as practicable.

2. (Re)Appointment and Board Rotation Plan

- 2.1 The Non-Executive Directors ensure that a formal and transparent procedure is in place for the appointment and reappointment of Directors, as well as a Board Rotation Plan, with due regard to the D&I Policy.
- 2.2 Save for Directors appointed for an indefinite period of time, the Directors will retire periodically in accordance with their term of office and the Board Rotation Plan, and as soon as practically possible in the event of inadequate performance, structural incompatibility of interests, and in other instances where early retirement of the Director is considered necessary by the Board.
- 2.3 The Non-Executive Directors shall prepare a Board Rotation Plan, and they may, at any time, amend the Board Rotation Plan. Amendments to the Board Rotation Plan, however, may not permit a sitting Director to remain in office for a longer period than appointed for, or allow that he be asked to retire before the appointment term has expired.

3. Responsibilities and Duties of the Board

General

- 3.1 The Board is charged with the management of the Company, which means, among other

things, that it is responsible for the continuity of the Company and the business connected with it. The Board adopts values embodied in the Code of Conduct that contribute to a culture focused on, and is responsible for, sustainable long-term value creation by the Company and the business connected with it, and takes into account the impact the actions of the Company and the business connected with it have on people and the environment and to that end weighs the stakeholders' interests that are relevant in this context.

3.2 The Board shall develop a view on sustainable long-term value creation by the Company and the business connected with it and shall formulate a strategy in line with this. The Board shall formulate specific objectives in this regard. When developing the strategy, attention shall in any event be paid to:

- (a) the strategy's implementation and feasibility;
- (b) the business model applied by the Company and the market in which the Company and the business connected with it operate;
- (c) opportunities and risks for the Company;
- (d) the Company's operational and financial goals and their impact on its future position in relevant markets;
- (e) the interests of the stakeholders;
- (f) the impact of the Company and the business connected with it as regards sustainability, including the effects on people and the environment;
- (g) paying a fair share of tax to the countries in which the Company operates;
- (h) any other aspects relevant to the Company and the business connected with it, such as the environment, social and employee-related matters, the chain within which the business operates, respect for human rights, and fighting corruption and bribery;
- (i) the information and communication technology (ICT) systems of the Company and the affiliated risks of cybersecurity (including disturbance, failure or abuse of ICT); and
- (j) the impact of new technologies and changing business models.

3.3 The responsibility for the management of the Company is vested collectively in the Board.

3.4 The Executive Directors are responsible for the day-to-day management of the Company and shall perform their activities under the supervision of the Non-Executive Directors. The Executive Directors are responsible for the incorporation and maintenance of the values within the Company and the business connected with it. Attention must be paid to the following, among other things:

- (a) the strategy and the business model;

- (b) the environment in which the enterprise operates;
- (c) the existing culture within the enterprise, and whether it is desirable to implement any changes in this; and
- (d) the social safety within the enterprise and the ability to discuss and report actual or suspected misconduct or irregularities.

The Board encourages behaviour that is in keeping with the values, and propagates these values through leading by example.

- 3.5 The Non-Executive Directors are charged with the supervision of the policy of the Executive Directors and of the general course of affairs of the Company and the business connected with it, including the relations with shareholders. The Non-Executive Directors assist the Executive Directors with advice on general policies related to the Company and the business connected thereto.
- 3.6 In performing its duties, the Board shall act in accordance with the interests of the Company and the business connected with it, taking into consideration the interests of the Company's stakeholders. The Board shall also have due regard for environmental, social and governance related topics that are relevant to the Company.
- 3.7 Non-Executive Directors shall perform their duties without mandate and independent of any interest in the business of the Company. They should not support one interest without regard to the other interests involved.
- 3.8 The Board shall ensure that decisions are made in a balanced and effective manner while taking account of the interests of stakeholders. The Board shall ensure that information is provided in a timely and sound manner. The Board shall keep their knowledge and skills up to date and devote sufficient time to their duties and responsibilities. They shall ensure that, in performing their duties, they have the information that is required for effective decision-making.
- 3.9 The Executive Directors draw up a Code of Conduct and monitor its effectiveness and compliance with this Code of Conduct, both on the part of itself and of the employees of the Company. The Executive Directors shall inform the Non-Executive Directors of their findings and observations relating to the effectiveness of, and compliance with, this Code of Conduct. The Code of Conduct will be published on the Company's website.

Duties regarding Individual Directors

- 3.10 Individual Directors may be charged with specific parts of the managerial tasks, without prejudice to the collective responsibility of the Board as a whole. The Board remains collectively responsible for decisions, even if they are prepared by individual Directors. An individual Director may only exercise such powers as are explicitly attributed or delegated to him and he may never exercise powers beyond those exercisable by the Board as a whole.
- 3.11 A division of tasks within the Board and allocation of duties of the Board to individual Directors is determined (and amended, if necessary) by the Board. Directors especially charged with particular managerial tasks are primarily responsible for the risk control

and monitoring of the managerial tasks concerned.

Duties of the Non-Executive Directors regarding the Non-Executive Directors

- 3.12 The duties of the Non-Executive Directors regarding the Non-Executive Directors specifically include:
- (a) the selection and proposal (for nomination) of Non-Executive Directors to the General Meeting; and
 - (b) the selection of a Chairperson and Committee members and defining their role and the approval of other positions of Non-Executive Directors to the extent required under Clause 20.
- 3.13 The Non-Executive Directors shall ensure that, in the form of the Nominating Committee, a formal and transparent procedure is in place for the appointment and reappointment of Directors, as well as a sound plan for the succession of Directors, with due regard to the D&I Policy.

Duties of the Non-Executive Directors regarding the Executive Directors

- 3.14 The supervision of the Executive Directors by the Non-Executive Directors shall include:
- (a) the sustainable long-term value creation of the Company and the business connected thereto and weighing of the interests of stakeholders involved;
 - (b) activities of the Board regarding the creation of a culture aimed at sustainable long-term value creation of the Company and the business connected thereto;
 - (c) the internal audit function (if any);
 - (d) the policies carried out by the Executive Directors;
 - (e) the effectiveness of the Company's internal risk management and control systems;
 - (f) the integrity and quality of the financial reporting;
 - (g) the information and communication technology (ICT) systems of the Company and the managing of the risks associated with cybersecurity;
 - (h) the policy of the Company on Tax planning;
 - (i) the monitoring of the effectiveness and compliance with the Code of Conduct, both on the part of the Company and of the employees of the Company;
 - (j) the safeguarding of the Board's expertise and responsibilities and process of providing information to the Non-Executive Directors;
 - (k) the establishment and maintenance of internal procedures which safeguard that all relevant information is known to the Board in a timely fashion;

- (l) the risks associated with the compensation structure for employees of the Company and the business connected thereto; and
 - (m) the relation with the shareholders of the Company, and the compliance with laws and regulations.
- 3.15 The duties of the Non-Executive Directors regarding the Executive Directors specifically include:
- (a) the selection and proposal (for nomination) of Executive Directors to the General Meeting; and
 - (b) to formulate the compensation policy and its implementation, among other things by the submission of proposals for the compensation policy for Executive Directors to the General Meeting.

4. Evaluation

- 4.1 At least once a year, the Executive Directors shall evaluate their own functioning as a whole and that of the individual Executive Directors.
- 4.2 At least once a year, outside the presence of the Executive Directors, the Non-Executive Directors shall evaluate the functioning of the Executive Directors as a whole and that of the individual Executive Directors, and discuss the conclusions that must be drawn on the basis thereof, such also in light of the succession of Executive Directors.
- 4.3 At least once a year, outside the presence of the Executive Directors, the Non-Executive Directors shall evaluate their own functioning, the functioning of the Committees and that of the individual Non-Executive Directors (including an evaluation of the Board Profile and the introduction, education and training programme) and discuss the conclusions of this evaluation. In doing so, attention shall be paid to:
- (a) substantive aspects, conduct and culture, the process, the mutual interaction and collaboration, and the interaction with the Executive Directors;
 - (b) events that occurred in practice from which lessons may be learned; and
 - (c) the desired profile, the composition, competencies and expertise of the Non-Executive Directors.

This evaluation shall take place periodically under the supervision of an external expert.

CHAPTER II POSITIONS

5. Chairperson

- 5.1 The Chairperson (i) shall act as the spokesman of the Board and (ii) is the main contact for the Executive Directors, Non-Executive Directors and shareholders regarding the functioning of Directors.
- 5.2 The Chairperson is primarily responsible for the functioning of the Board and its

Committees and shall primarily ensure that:

- (a) the Board has proper contact with the works council (if any) and the General Meeting;
- (b) there is sufficient time for obtaining advice, effective consultation and deliberation and (preparing the) decision-making by the Board;
- (c) the Directors receive all information that is necessary for the proper performance of their duties in a timely fashion;
- (d) the Board and the Committees function properly;
- (e) the functioning of individual Directors is assessed at least annually;
- (f) Directors, when needed, follow their introduction programme and, as needed, their additional education or training programme;
- (g) the Board performs activities in respect of culture;
- (h) the Board recognises signs from the business connected with the Company and ensures that any actual or suspected material misconduct and irregularities are reported to the Board without delay;
- (i) the General Meeting proceeds in an orderly and efficient manner and a proper conduct of business is ensured at General Meetings to promote a meaningful discussion;
- (j) effective communication with shareholders is assured; and
- (k) the Non-Executive Directors are involved closely, and at an early stage, in any merger or acquisition processes.

5.3 In addition, the Chairperson shall also:

- (a) ensure that the Board as a collective, as well as the Committees, have a balanced composition and function properly;
- (b) prepare the agenda for and chair each meeting of the Board;
- (c) ensure that the Board functions in an effective manner and makes decisions in a collective manner;
- (d) consult on an *ad hoc* basis with the other Directors regarding their respective tasks;
- (e) address issues relating to the functioning of individual Directors;
- (f) address internal disputes and conflicts of interest concerning individual Directors and the possible resignation of such Directors as a result;
- (g) support the other Directors and mediate in any difference of opinion between them;

- (h) determine whether a proposed resolution should be brought to the Board for a vote;
- (i) ensure that passed resolutions are in accordance with the strategy that should lead to the realisation of the objectives of the Company as referred to in the Articles of Association;
- (j) supervise the implementation of passed resolutions and determine if further consultation with the Board on their implementation is required;
- (k) consider requests of the other Directors to consult with particular Directors regarding an area of expertise;
- (l) oversee and ensure communications between the Executive Directors and the Non-Executive Directors; and
- (m) consult regularly with the CEO and consult other Directors if deemed necessary or advisable.

6. **CEO**

- 6.1 The CEO is primarily responsible for the day-to-day management and the general affairs of the Company.
- 6.2 Notwithstanding the provisions of Clause 3.10 and Clause 3.11, the CEO has all powers, authorities, tasks and discretions (including the power to sub-delegate) that are not explicitly allocated to the full Board in accordance with Clause 3.1 through Clause 3.9. In particular, the CEO is entrusted with all of the Board's powers, authorities, tasks and discretions (including the power to sub-delegate) in relation to the day-to-day (i.e. operational) management of the Company. Matters not expressly allocated to the full Board in accordance with Clause 3.1 through Clause 3.9 and pursuant to Clause 17.2 are considered matters that fully fall within the tasks and responsibilities delegated to the CEO in accordance with section 2:129a paragraph 3 DCC and may, therefore, be validly resolved upon by the CEO and no further resolutions, approvals or other involvement of the Board shall be required. Such resolution will be considered to be a resolution of the Board.
- 6.3 The CEO may authorise one or more persons, whether or not employed by the Company, to represent the Company or authorise in a different manner one or more persons to represent the Company on a continuing basis regarding matters that fall within the tasks and responsibilities delegated to him.
- 6.4 The CEO shall maintain intensive and frequent contacts with the Non-Executive Directors and, in particular, with the Chairperson.

7. **Committees**

- 7.1 The Board may set up standing and/or ad hoc Committees from among the Non-Executive Directors, which are charged with tasks specified by the Board. The Board may and shall, in any event, establish an Audit Committee, a Compensation Committee and a Nominating Committee. The composition of a Committee is determined by the Board, provided that (i) the Audit Committee or the Compensation Committee shall not

be chaired by the Chairperson or by a former Executive Director, (ii) all members of the Audit Committee shall be independent within the meaning of applicable rules and regulations (including the CGC as well as SEC rules and NASDAQ rules) and (iii) more than half of the members of other Committees than the Audit Committee shall be independent within the meaning of the CGC.

- 7.2 The Board remains collectively responsible for decisions prepared by its Committees. A Committee may only exercise such powers as are explicitly attributed/delegated to it by the Board and may never exercise powers beyond those exercisable by the Board as a whole.
- 7.3 The Board shall adopt terms of reference for each Committee and may amend these at any time. The terms of reference shall indicate the role and responsibility of the Committee concerned, its composition and the manner in which it performs its duties, and shall be posted on the Company's website.
- 7.4 Each Committee shall be authorised to retain the services of legal, accounting or other consultants at the Company's expense as the Committee deems necessary or appropriate to carry out its responsibilities, provided, however, that in retaining the services of such consultant, other than in-house legal counsel, the Committee shall take into consideration the factors affecting independence required by applicable SEC rules and NASDAQ rules.

8. Company Secretary

- 8.1 The Board is supported by the secretary of the Company. The person so appointed shall be granted the title 'Company Secretary'. The Company Secretary does not have to be a Director. The Board is authorized to replace or remove such person at any time.
- 8.2 The Company Secretary shall primarily:
- (a) ensure that the proper procedures are followed and that the obligations of the Board under the law, as well as the Articles of Association and the Company's policy on related party transactions are complied with;
 - (b) facilitate the provision of information of the Board; and
 - (c) support the Chairperson in the organisation of the affairs of the Board, including the provision of information, meeting agendas, evaluations and training programmes.
- 8.3 All Directors have access to the advice and services of the Company Secretary.
- 8.4 The Company Secretary is entitled to delegate his duties, or parts thereof, under these Board Rules to one or more deputies designated by him in consultation with the Chairperson.

CHAPTER III RESPONSIBILITIES ON SPECIFIC AREAS

9. Internal Audit Function

- 9.1 The duty of the Internal Audit Function is to assess the design and the operation of the internal risk management and control systems and to carry out a systematic assessment of their design and operation at least once a year. The Executive Directors are responsible for the Internal Audit Function. The Non-Executive Directors oversee the Internal Audit Function and maintain regular contact with the Senior Internal Auditor.
- 9.2 The Board both appoints and dismisses the Senior Internal Auditor along with the recommendation issued by the Audit Committee.
- 9.3 The Internal Audit Function shall draw up an Internal Audit Plan, involving the Executive Directors, the Audit Committee and the External Auditor in this process. The Internal Audit Plan shall be submitted to the Board for approval. In this Internal Audit Plan, attention should be paid to the interaction with the External Auditor.
- 9.4 The Internal Audit Function shall report its audit results to the Executive Directors and the Audit Committee and should inform the External Auditor. The research findings of the Internal Audit Function shall, at least, include the following:
- (a) any flaws in the effectiveness of the internal risk management and control systems;
 - (b) any findings and observations with a material impact on the risk profile of the Company and the business connected to it; and
 - (c) any failings in the follow-up of recommendations made by the Internal Audit Function.

10. **Financial Reporting**

- 10.1 The preparation and publication of the Report of the Board, the Annual Accounts, the interim figures and *ad hoc* financial information require careful internal procedures. The Executive Directors are responsible for establishing and maintaining internal procedures that ensure that all major financial information is known to the Board, so that the timeliness, completeness and accuracy of the external financial reporting are assured. For this purpose, the Executive Directors shall ensure that financial information from business divisions and/or Subsidiaries is reported directly to themselves and that the integrity of that information is not compromised.
- 10.2 The Board shall procure that the Company shall publish the Report of the Board and the audited Annual Accounts within four (4) months of the end of the financial year.
- 10.3 The External Auditor shall in any event attend the part of the meeting of the Board at which the report of the External Auditor with respect to the audit of the Annual Accounts is discussed, and at which a decision will be taken on the adoption of the Annual Accounts. The External Auditor shall receive all information that is necessary for the performance of his work in a timely fashion, including the financial information underlying the adoption of the figures, and other interim financial reports, and shall be given the opportunity to respond to all information. The External Auditor shall report his findings in relation to the audit of the Annual Accounts to the Board.
- 10.4 The line of contact between the Board and the External Auditor is in principle through the chairperson of the Audit Committee. The External Auditor and the Internal Audit

Function shall inform the Board and the chairperson of the Audit Committee without delay if, during the performance of his duties, he discovers or suspects misconduct or irregularities within the Company and the business connected thereto. If the actual (or suspected) misconduct or irregularity pertains to the functioning of a Director, the External Auditor can report this directly to the Chairperson or, if it concerns the Chairperson, to the CEO.

- 10.5 The Non-Executive Directors see to it that the recommendations made by the External Auditor are considered carefully by the Board and, to the extent accepted, that they are actually carried out by the Board. This supervision may be delegated to the Audit Committee.

11. External Auditor

- 11.1 When deciding its nomination to the General Meeting for the (re)appointment of an External Auditor, the Board shall take the Audit Committee's advice into account. If the Board does not take on board the Audit Committee's advice concerning the External Auditor's (re)appointment, the reasons for this decision shall be stated in the proposal to the General Meeting. However, the External Auditor that shall be nominated for appointment by the Board must have participated in the selection procedure for External Auditors of the Audit Committee.

- 11.2 The External Auditor shall be appointed by the General Meeting. If the General Meeting does not proceed with this appointment, the Board shall be authorised to do so.

- 11.3 By way of implementation of the decision of the General Meeting or the Board itself, as the case may be, to appoint the External Auditor, the Board will on behalf of the Company enter into an agreement to that effect with the External Auditor.

- 11.4 The remuneration of the External Auditor, and instructions to the External Auditor to provide non-audit services, requires the approval of the Board on the recommendation of the Audit Committee.

12. Relation with the Shareholders

- 12.1 The Directors shall be present at the General Meeting, unless they are unable to attend. Under these circumstances, a Director may attend the General Meeting through means of electronic communication.

- 12.2 The Board sees to it that the responsible partner (certifying auditor) of the firm of the External Auditor is present at the General Meeting and that he can address the General Meeting. The External Auditor may be questioned by the General Meeting in relation to his statement on the fairness of the Annual Accounts.

- 12.3 The Board shall ensure that the Company formulates an outline policy on bilateral contacts with shareholders and it shall post this policy on its website.

- 12.4 Shareholders and the Company should be prepared to enter into a dialogue, where appropriate and at their own discretion. The Company is expected to facilitate the dialogue unless, in the opinion of the Board, this is not in the interests of the company and the business connected with it.

- 12.5 The Board shall endeavour that minutes on the proceedings of the General Meeting are made available to the shareholders of the Company by publication on the Company's website no later than three (3) months after the end of such meeting, following which the shareholders have another three (3) months to respond to these minutes. These minutes are then adopted in the manner provided for in the Articles of Association, by the chairperson and the secretary of the meeting. The provisions of this Clause 12.5 may be disregarded if a notarial deed is drawn up of the minutes of the proceedings. After adoption, the minutes (or the minutes as laid down in a notarial deed of proceedings) are posted as soon as possible on the Company's website. Also, results of the voting in resolutions adopted by the General Meeting are posted on the Company's website as soon as possible after the meeting, where they are accessible for at least one year.
- 12.6 A resolution adopted by the General Meeting may be disclosed externally through a statement from the Chairperson or the Company Secretary.
13. **Relation with Analysts, the Financial Press and Institutional and Other Investors**
- 13.1 Analyst meetings, analyst presentations, presentations to institutional or other investors and press conferences shall be announced in advance on the Company's website and by means of press releases. Analysts' meetings and periodical presentations to all investors shall not take place shortly before the publication of the regular financial information. All shareholders shall be able to follow these meetings and presentations in real time, by means of webcasting, telephone or otherwise. After the meetings, the presentations shall be posted on the Company's website.
- 13.2 The contacts between the Board on the one hand and the press and financial analysts on the other shall be handled and structured carefully and with due observance of the applicable laws and regulations. The Company shall not do anything that might compromise the independence of analysts in relation to the Company and *vice versa*.
14. **Misconduct and Irregularities**
- 14.1 The Board shall be alert to signs of actual or suspected misconduct or irregularities.
- 14.2 The Executive Directors shall inform the Chairperson without delay of any signs of actual or suspected material misconduct or irregularities within the Company and the business connected to it. If the actual or suspected misconduct or irregularity pertains to the functioning of an Executive Director, employees can report this directly to the Chairperson.
- 14.3 The Board shall establish a whistleblowers' system that ensures employees to file a report without jeopardising their legal position.
- 14.4 The Non-Executive Directors shall monitor the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities, and, if an instance of misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions. In order to safeguard the independence of the investigation in cases where the Executive Directors themselves are involved, the Non-

Executive Directors shall have the option of initiating their own investigation into any signs of misconduct or irregularities and to coordinate this investigation.

CHAPTER IV BOARD MEETINGS AND DECISION-MAKING

15. Frequency, Agenda, Venue and Admittance

- 15.1 The Board shall meet at least four (4) times each financial year.
- 15.2 Save in urgent cases (to be determined by the Chairperson or the CEO), the agenda for a meeting of the Board shall be sent to all Directors at least seven (7) calendar days before the meeting of the Board. To the extent possible, for each item on the agenda an explanation in writing shall be provided and/or other related documentation will be attached to the agenda.
- 15.3 Each Director has the right to request that an item be placed on the agenda for a meeting of the Board.
- 15.4 Meetings of the Board are generally held at the offices of the Company, but may also take place elsewhere. In addition, meetings of the Board may be held by telephone, video conference or other means of communication (whether or not electronic), provided all participants can communicate with each other simultaneously.
- 15.5 The admittance to the meeting of persons other than Directors or the Company Secretary shall be decided by a majority of votes validly cast by the Directors present at the meeting.

16. Minutes

- 16.1 The Company Secretary, or any other person designated for such purpose by the chairperson of the meeting, shall draw up minutes of the meeting. The minutes should provide insight into the decision-making process at the meeting. The minutes shall in evidence of their adoption be signed by the chairperson of the meeting and at least one other Director or the Company Secretary at the same meeting, or the next meeting.

17. Decision-making within the Board

- 17.1 Each Director has the right to cast one (1) vote in meetings of the Board.
- 17.2 The Directors shall take into account that (i) the resolutions as referred to in Annex 2 (*Full Board Resolutions*) are adopted by the Board as a whole and (ii) the resolutions as referred to in Annex 3 (*Board Resolutions requiring General Meeting Approval*) are subject to the approval of the General meeting.
- 17.3 Resolutions of the Board shall – unless the Articles of Association or the Board Rules prescribe more stringent requirements – be adopted by an absolute majority of the votes validly cast.
- 17.4 Resolutions of the Board are normally adopted at formal meetings of the Board. Resolutions of the Board may, however, also be adopted outside of a formal meeting of the Board, provided that (i) this is done in writing, (ii) all Directors required for a

valid adoption of the resolution have had the opportunity to express their opinion in respect of the proposal concerned, and (iii) none of the Directors objected to adopting resolutions in this manner.

- 17.5 A resolution adopted by the Board may be disclosed externally through a statement from the Chairperson, the CEO or the Company Secretary.
- 17.6 Insofar as any matter allocated to the Non-Executive Directors requires them to decide on this matter in a standalone capacity (i.e. as the Non-Executive Directors together), they will have the authority to adopt valid resolutions, in which case the relevant provisions in relation to meetings of the Board shall, where possible, apply *mutatis mutandis* to a meeting and the decision-making of Non-Executive Directors.

CHAPTER V OTHER PROVISIONS

18. Conflicts of Interests of Directors

- 18.1 A conflict of interest exists if with respect to the matter concerned a Director has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it. In addition, a conflict of interest may exist if (i) the Company enters into an *Interested Transaction* and a Director qualifies as a *Conflicted Director* under the Company's policy on related party transactions and (ii) the Company intends to enter into a transaction with a legal entity:
- (a) in which a Director personally has a material financial interest; or
 - (b) which has a management board member who has a relationship under family law with a Director.
- 18.2 A Director is alert to conflicts of interest and shall in any case refrain from:
- (a) competing with the Company;
 - (b) demanding or accepting substantial gifts from the Company for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
 - (c) providing unjustified advantages to third parties at the Company's expense;
 - (d) taking advantage of business opportunities to which the Company is entitled for themselves or for their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.
- 18.3 A Director shall promptly notify the *Legal Affairs*-department of the Group of any material interest that such Director, or an *Immediate Family Member* of such Director had, has or may have in an *Interested Transaction*. The notice shall include a description of the transaction, all material information and the aggregate dollar amount.
- 18.4 A Director shall not take part in any discussion and decision-making that involves a subject or transaction in relation to which he has a conflict of interest with the Company. If as a consequence none of the Directors may participate in the consultation and

decision-making, the Board shall remain authorized to adopt the resolution.

- 18.5 Any form of conflict of interest between the Company and the Directors shall be prevented. The Non-Executive Directors are responsible for the decision-making on dealing with conflicts of interest regarding Executive Directors, Non-Executive Directors and majority shareholders in relation to the Company.
- 18.6 All transactions in which there are conflicts of interest with Directors shall be agreed on terms that are customary for arm's-length transactions in the market of business in which the Company and its Subsidiaries operate. Decisions to enter into transactions in which there are conflicts of interest with Directors that are of material significance to the Company and/or to the relevant Director require a Board resolution.
- 18.7 A Director who in connection with a (potential) conflict of interests does not exercise certain duties and powers will insofar be regarded as a Director who is unable to act (*belet*).
- 18.8 All transactions between the Company and legal or natural persons who hold at least ten percent (10%) of the shares in the Company shall be agreed on terms that are customary in the market. Decisions to enter into transactions with such persons that are of material significance to the Company and/or to such persons shall require a Board resolution.

19. **Compensation of Directors**

- 19.1 When necessary, the Compensation Committee shall submit a clear and easy to understand proposal to the Board concerning the compensation policy to be pursued with regard to the Board. The Board shall submit this proposal to the General Meeting for adoption.
- 19.2 Amendments to the compensation policy are subject to the approval by the General Meeting.

20. **Other Positions**

- 20.1 Directors shall limit the number and nature of their other positions so as to ensure due performance of their duties.
- 20.2 An Executive Director will hold no more than two memberships of supervisory boards in large Dutch companies and/or large Dutch foundations. An Executive Director will also hold no position as a chairperson of a supervisory board in a large Dutch company and/or large Dutch foundation. The previous sentences are *mutatis mutandis* applicable with regard to positions of non-executive director or chairperson of a one tier-board in a legal entity governed by Dutch company law.
- 20.3 A Non-Executive Director will hold no more than five memberships of supervisory boards in large Dutch companies and/or large Dutch foundations, with a chairpersonship counted twice. The previous sentence is *mutatis mutandis* applicable with regard to positions of non-executive director or chairperson of a one tier-board in a legal entity governed by Dutch company law.
- 20.4 Directors must inform the Chairperson and the Company Secretary of their other

positions which may be of importance to the Company or the performance of their duties before accepting such positions. If the Chairperson determines that there is a risk of a conflict of interest, the matter shall be discussed by the Non-Executive Directors in accordance with Clause 18. If such conflict concerns the Chairperson, he will inform one of the other Non-Executive Directors who then carries out the task of the Chairperson as referred to in the previous sentence. The acceptance of membership of a supervisory board by an Executive Director requires the approval of the Non-Executive Directors.

20.5 The Company Secretary shall keep a list of the outside positions concerned of each Director.

21. **Holding and Trading Securities**

Directors are bound to the Insider Trading Policy. The Insider Trading Policy is posted on the Company's website.

22. **Confidentiality**

No Director shall, during his membership of the Board or afterwards, disclose in anyway whatsoever to anyone whomsoever any information of a confidential nature regarding the business of the Company and/or any Subsidiaries and/or other companies, partnerships or entities in which it holds a stake, that came to his knowledge in the capacity of his work for the Company and which he knows or should know to be of a confidential nature, unless required by law. A Director is allowed to disclose the above information to Directors as well as to staff members of the Company and companies in which the Company holds a stake who, in view of their activities for the Company and companies in which the Company holds a stake, should be informed of the information concerned. A Director shall not in any way whatsoever utilise the information referred to above for his personal benefit.

23. **Miscellaneous**

23.1 **Application to all Directors**

These Board Rules are applicable to anyone who is appointed as a Director, and are also applicable to anyone who is designated as a stand-in for a Director in accordance with these Board Rules.

23.2 **Occasional Non-Compliance**

The Board may occasionally decide not to comply with these Board Rules, but only to the extent that the non-compliance with these Board Rules does not contradict the Articles of Association and the Company's policy on related party transactions, with due observance of applicable laws and regulations and with the prior approval of the Chairperson.

23.3 **Amendment**

These Board Rules may be amended by the Board by means of a resolution adopted with an absolute majority of the votes validly cast, provided that in any case an affirmative vote of the CEO is required.

23.4 **Interpretation**

In case of lack of clarity, uncertainty or difference of opinion on the interpretation of any provision of these Board Rules, the opinion of the Chairperson shall be decisive.

23.5 **Governing law and jurisdiction**

These Board Rules are governed by the laws of The Netherlands. The courts of The Netherlands have exclusive jurisdiction to settle any dispute arising from or in connection with these Board Rules (including any dispute regarding the existence, validity or termination of these Board Rules).

23.6 **Partial invalidity**

If one or more provisions of these Board Rules are or become invalid, this shall not affect the validity of the remaining provisions. The Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of these Board Rules is, to the greatest extent possible, similar to that of the invalid provisions.

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ANNEX 1
LIST OF DEFINITIONS

1. In these Board Rules, the following terms have the following meanings:

"**Annual Accounts**" means the annual accounts of the Company as referred to in sections 2:101 and 2:361(1) of the Dutch Civil Code.

"**Articles of Association**" means the articles of association (*statuten*) of the Company;

"**Audit Committee**" means the audit committee of the Board set up in accordance with Clause 7.1 of the Board Rules.

"**Board**" means the board of directors (*bestuur*) of the Company.

"**Board Profile**" means a profile in relation to the composition of the Board, taking account of the nature and the activities of the business of the Company and its Subsidiaries.

"**Board Rotation Plan**" means a rotation plan drawn up by the Non-Executive Directors in order to avoid, as far as possible, a situation in which many Directors retire at the same time.

"**Board Rules**" means the Board rules, including the annexes belonging thereto.

"**Chairperson**" means the Director appointed as the chairperson of the Board.

"**CEO**" means the Director appointed as the chief executive officer of the Company.

"**CGC**" means the Dutch corporate governance code as adopted by the Corporate Governance Code Monitoring Committee on 20 December 2022, and as amended from time to time.

"**Code of Conduct**" means the code of conduct for the Company and the business connected thereto as adopted in accordance with Clause 3.9 of the Board Rules.

"**Committee**" means each committee of the Board as referred to in Clause 7.1 of the Board Rules.

"**Company**" means SCHMID Group N.V., and, where appropriate, the Subsidiaries and possible other Group Companies whose financial information is incorporated in the consolidated Annual Accounts.

"**Company Secretary**" means the company secretary of the Company appointed in accordance with Clause 8.1 of the Board Rules.

"**Compensation Committee**" means the compensation committee of the Board set up in accordance with Clause 7.1 of the Board Rules.

"**Director**" means a member of the Board and refers to both an Executive Director and a Non-Executive Director.

"**D&I Policy**" means the Company's diversity policy with regard to the Board which sets specific, appropriate and ambitious targets in order to achieve a good balance in gender diversity and other diversity and inclusion aspects relevant to the Company.

"**Executive Director**" means a member of the Board appointed as an executive director.

"**External Auditor**" means the accounting and auditing firm withing the meaning of section 2:393 of the Dutch Civil Code, or the Company's independent outside audit firm for purposes of United States rules and regulations (including applicable SEC rules and/or NASDAQ rules), that is charged with the audit of the Annual Accounts, as the context may require.

"**General Meeting**" means the general meeting of shareholders (*algemene vergadering van aandeelhouders*) of the Company.

"**Group Company**" has the meaning attributed to it in section 2:24b of the Dutch Civil Code.

"**Insider Trading Policy**" means the insider trading policy of the Company regarding securities of the Company and other securities referred to in those regulations.

"**Internal Audit Function**" means the internal audit function of the Company.

"**Internal Audit Plan**" means the internal audit plan of the Company as approved by the Board in accordance with Clause 9.3 of the Board Rules.

"**NASDAQ**" means the NASDAQ Stock Market.

"**Nominating Committee**" means the nominating committee of the Board set up in accordance with Clause 7.1 of the Board Rules.

"**Non-Executive Director**" means a member of the Board appointed as a non-executive director.

"**Report of the Board**" means the report of the Company drawn up by the Board, as referred to in sections 2:101 and 2:391 of the Dutch Civil Code.

"**SEC**" means the United States Securities and Exchange Commission.

"**Senior Internal Auditor**" means the senior internal auditor appointed in accordance with Clause 9.2 of the Board Rules.

"**Subsidiary**" has the meaning attributed to it in section 2:24a of the Dutch Civil Code.

"**Tax**" means any form of taxation, levy, duty, charge, contribution, withholding or impost of whatever nature whether direct or indirect and however collected or assessed, levied by reference to income, profits, gains, net wealth, asset values, turnover, added value, transfer or actual or deemed transactions or events and whether chargeable primarily or otherwise against the person liable (including any related fine, penalty, surcharge or interest) imposed, collected or assessed by, or payable to, a Tax Authority.

"**Tax Authority**" means any government, state or municipality or any local, state,

federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function.

2. Save where the context dictates otherwise, in these Board Rules:
 - (a) words and expressions expressed in the singular form also include the plural form, and *vice versa*;
 - (b) words and expressions expressed in the masculine form include all forms and genders; and
 - (c) a reference to a statutory provision counts as a reference to this statutory provision including all amendments, additions and replacing legislation that may apply from time to time.
3. The expression "**written**" or "**in writing**" includes any message transmitted via any electronic means of communication, which message is readable and reproducible.
4. References to "**Clauses**" refer to clauses which are part of these Board Rules. Headings of Clauses and other headings in these Board Rules are inserted for ease of reference and do not form part of these Board Rules concerned for the purpose of interpretation.

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ANNEX 2
FULL BOARD RESOLUTIONS

The following Board resolutions shall be adopted by the Board as a whole:

- (a) the adoption or amendment of the annual budget;
- (b) the appointment, replacement or removal of the Company Secretary;
- (c) the appointment or dismissal of the Senior Internal Auditor;
- (d) the approval of the Company's Internal Audit Plan;
- (e) the appointment of the External Auditor if the General Meeting does not proceed with this appointment;
- (f) the remuneration of the External Auditor and instructions to the External Auditor to provide non-audit services;
- (g) to enter into transactions in which there are conflicts of interest with Directors that are of material significance to the Company or to the relevant Director;
- (h) to enter into transactions with any person which holds at least ten percent (10%) of the shares in the Company that are of material significance to the Company or to such person;
- (i) the granting of personal loans, guarantees or the like to Directors; and
- (j) all other acts that require a resolution by the full Board by law, the Articles of Association, these Board Rules or the Committee charters.

ANNEX 3
BOARD RESOLUTIONS REQUIRING GENERAL MEETING APPROVAL

The approval of the General Meeting is required for resolutions of the Board regarding a significant change in the identity or nature of the Company or the enterprise, including in any event:

- (a) transferring the business or practically the entire business to a third party;
- (b) entering into or terminating any long-term cooperation by the Company or a Subsidiary with any other legal entity or company or as a fully liable general partner of a limited partnership or a general partnership, provided that such cooperation or the termination thereof is of material significance to the Company; and
- (c) acquiring or disposing of a participating interest in the capital of a company with a value of at least one-third of the sum of the assets of the Company according to the balance sheet including the explanatory notes or, if the Company prepares a consolidated balance sheet, according to the consolidated balance sheet including the explanatory notes according to the last adopted annual accounts of the Company, by the Company or a Subsidiary.

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