



ENERGY. LEADERSHIP. PROGRESS.

“Since 2005 we have been committed to the Austrian Corporate Governance Code and consistently implemented its rules. This is how we contribute to strengthening trust in Austrian companies and the Austrian capital market.”

CORPORATE GOVERNANCE REPORT

SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft (SBO) has committed itself to comply with the Austrian Corporate Governance Code since 2005 and has consistently implemented its rules. The Austrian Corporate Governance Code is a set of rules meeting international standards for responsible management and governance of companies. By observing the Austrian Corporate Governance Code, SBO makes a contribution

to strengthen trust in Austrian companies and the Austrian capital market.

The Austrian Corporate Governance Code, as amended in January 2023 and applicable to this report, is accessible on the website of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

SBO complies with the Austrian Corporate Governance Code. The rules of the Code are subdivided into three categories:

First: L-Rules (Legal Requirements):

They describe mandatory legal requirements that must be complied with by law.

Second: C-Rules (Comply or Explain):

This category contains customary international provisions; non-compliance must be explained.

Third: R-Rules (Recommendation):

These rules are recommendations only, non-compliance requires neither disclosure nor explanation.

SBO complies fully with the mandatory legal requirements (L-Rules) and complies with the C-rules (Comply). The disclosure requirement pursuant to L-Rules 29a and 50 with regard to the remuneration of members of the Management Board and Supervisory Board is complied with in the remuneration report.

Regarding the financial year 2023, SBO had to prepare both a consolidated and a non-consolidated Corporate Governance Report. Pursuant to Section 267b in conjunction with Section 251(3) UGB (Austrian Commercial Code), these reports may be merged into one report. Therefore, this report contains the data required pursuant to Section 243c UGB as regards both the parent company (SBO) and the subsidiaries of SBO included in consolidation. The diversity concept according to Section 243c(2)(3) UGB is set out in subchapter "Diversity Concept".

The Executive Board

The rules of procedure for the Executive Board govern the composition and working method of the Executive Board, cooperation between the Executive Board and the Supervisory Board, the procedure in the event of conflicts of interest, information and reporting duties of the Executive Board and the approval requirements of the Supervisory Board which also extend to material business transactions of the major subsidiaries. The Executive Board consists of two members whose allocation of responsibilities is regulated as described below. Fundamental decisions are the responsibility of the full Executive Board. These include, in particular,

the specification of the company's objectives and definition of the corporate strategy. When developing and implementing the corporate strategy, the Executive Board takes aspects of sustainability, and associated opportunities and risks relating to the environment, social issues and corporate governance into account.

The Executive Board meets regularly to provide each other with information and adopt resolutions. The members of the Executive Board are obliged to keep each other informed of all important events and business transactions.

In the financial year 2023, the Executive Board was composed of the following members:

	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT	END OF CURRENT TERM OF OFFICE
Gerald Grohmann Chief Executive Officer (CEO)	1953	3 October 2001	31 December 2023
Klaus Mader Chief Financial Officer (CFO)	1970	1 October 2015	30 September 2028

As per 31 December 2023, Gerald Grohmann held a Supervisory Board mandate each at Berndorf AG and Berndorf Immobilien AG.

Starting in January of the financial year 2024, the Executive Board was composed of the following members:

	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT	END OF CURRENT TERM OF OFFICE
Klaus Mader Chief Executive Officer (CEO)	1970	1 October 2015	30 September 2028
Campbell MacPherson Chief Operating Officer (COO)	1974	1 January 2024	31 December 2026



Allocation of responsibilities

Allocation of responsibilities and cooperation of the members of the Executive Board are governed by the rules of procedure for the Executive Board.

The Executive Board has not set up any committees. As of January 2024, the areas of responsibility allocated to the members of the Executive Board have been stipulated as follows, notwithstanding the collective responsibility of the Executive Board:

Klaus Mader Chief Executive Officer (CEO)	Strategy, Public Relations / Investor Relations, ESG & Sustainability, Compliance, Finance and Accounting, Human Resources, Legal Matters and Digitalization
Campbell MacPherson Chief Operating Officer (COO)	Production, Supply Chain Management, Sales and Marketing, Product and Market Strategy, R&D and Innovation Management

As representatives of the SBO parent company, the members of the Executive Board ordinarily take a supervisory function at the subsidiaries included in consolidation (see consolidated financial statements),

similar to that of a supervisory board function in Austrian stock corporations, but no management or executive function.

The Supervisory Board

In the financial year 2023, the Supervisory Board was composed of five members elected by the Annual General Meeting:

	YEAR OF BIRTH	DATE OF FIRST APPOINTMENT	END OF CURRENT TERM OF OFFICE
Norbert Zimmermann Chairman	1947	10 April 1995	2027
Brigitte Ederer Deputy Chairwoman	1956	23 April 2014	2024
Helmut Langanger	1950	29 April 2003	2024
Wolfram Littich	1959	27 April 2016	2026
Sonja Zimmermann	1972	24 April 2018	2028

According to the articles of association of SBO, each year one member of the Supervisory Board resigns from the Supervisory Board at the end of the Annual General Meeting, safeguarding effective control by the shareholders. The resigning member can be re-elected immediately.

Other seats in supervisory boards or comparable functions in Austrian or foreign listed companies are disclosed as follows:

	COMPANY	FUNCTION
Norbert Zimmermann	-	-
Brigitte Ederer	Marinomed Biotech AG	Deputy Chairwoman of the Supervisory Board
	ams-OSRAM AG	Member of the Supervisory Board
Helmut Langanger	-	-
Wolfram Littich	-	-
Sonja Zimmermann	Bank für Tirol und Vorarlberg Aktiengesellschaft	Deputy Chairwoman of the Supervisory Board

No member of the Supervisory Board holds a management or supervisory function in one of the consolidated subsidiaries of SBO.

Working method of the Supervisory Board

In exercising its functions, in particular monitoring and strategic support of the Executive Board, the Supervisory Board discusses the situation and targets of the Company and adopts resolutions.

The rules of procedure for the Supervisory Board govern in detail the composition, working method and tasks of the Supervisory Board, the procedure in situations of conflicts of interest, and all committees (Audit Committee, Nomination and Remuneration Committee, Sustainability Committee) and their responsibilities.

The Supervisory Board held five meetings in the period under review. Moreover, the Executive Board submitted several oral and written reports to the Supervisory Board to inform them about the development of business and the situation of the company and the Group companies. The main focus of discussion was on the strategic orientation and development of the Group, on major business and legal transactions and measures taken. As part of the Group strategy, the changing energy market and the associated opportunities and risks for the existing business model and the future realignment of the company were also discussed. In addition, the Supervisory Board was informed on a semi-annual basis about the topics of information security, as well as other compliance-relevant topics.

The members of the Supervisory Board personally attended all meetings of the Supervisory Board in the period under review. Therefore, all members of the Supervisory Board attended more than 75 % of the meetings of the Supervisory Board.

Committees

The Supervisory Board appoints the members of the Audit Committee and the Nomination and Remuneration Committee from among its members. A separate Sustainability Committee, whose duties are currently performed by the entire Supervisory Board, has been set up.

The committees are elected for the terms of office of their members. Each committee elects a chairman from among its members.

Sustainability committee

The Sustainability Committee deals with Environmental, Social and Governance (ESG) matters and supports the Supervisory Board (e.g. by discussing and contributing expertise) in reviewing and monitoring the ESG strategy as well as ESG-related standards, processes and performance, also in connection with the implementation of the European Union's climate targets. As long as such a committee is not appointed, its duties are performed by the Supervisory Board as a whole.

Audit committee

The Audit Committee is responsible for reviewing and preparing the adoption of the annual financial statements, the proposal for the distribution of profits and the management report. The Audit Committee reviews the consolidated financial statements. In particular, it is also responsible for monitoring the accounting process, the effectiveness of the internal control and risk management system, the independence and activities of the auditor (group auditor) and for approving non-audit services. It conducts the procedure for selecting the auditor (group auditor), taking into account the appropriateness of the fee, and makes a recommendation for the auditor's appointment to the Supervisory Board.

Members:

Wolfram Littich (Chairman)
Norbert Zimmermann
Sonja Zimmermann

Chairman Wolfram Littich also serves as financial expert for the Audit Committee.

The Audit Committee held two meetings in the year 2023, in which topics relating to the annual financial statements and consolidated financial statements, the internal control system and risk management were discussed. The Audit Committee conducted a selection procedure in accordance with Article 16 of Regulation (EU) No. 537/2014 (statutory audit regulation) in 2022, which resulted in a proposal by the Supervisory Board to the 2023 Annual General Meeting.

The effectiveness of the risk management system was assessed by the auditor. The auditor's report on the

assessment of the effectiveness of risk management was discussed by the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee deals with matters relating to the remuneration of the members of the Executive Board and of the Supervisory Board and the terms and conditions of the employment contracts concluded with members of the Executive Board. Furthermore, it submits proposals to the Supervisory Board to fill vacant positions in the Executive Board and deals with questions of succession planning. Unless allocated mandatorily to the responsibilities of the full Supervisory Board, the Nomination and Remuneration Committee is responsible for the following matters:

- a. negotiation, conclusion, amendment and termination of employment contracts with the members of the Executive Board, but not the appointment and dismissal of Executive Board members under corporate law;
- b. establishment of the principles for the remuneration of members of the Executive Board (remuneration policy) as well as determination of the specific remuneration components to be granted, including the underlying targets;
- c. preparation of the remuneration report on the remuneration of the members of the Executive Board;
- d. approval of the granting of a loan to a member of the Executive Board by the company;
- e. granting of an exemption from the non-competition clause;
- f. establishment of the principles for the remuneration of the members of the Supervisory Board (remuneration policy);
- g. preparation of the remuneration report on the remuneration of the members of the Supervisory Board.

Members:

Norbert Zimmermann (Chairman)
Helmut Langanger
Sonja Zimmermann

In the year under review, the Nomination and Remuneration Committee held two meetings.

Independence

Regarding independence criteria in accordance with C-Rule 53, the Supervisory Board follows the guidelines contained in Annex 1 of the Austrian Corporate Governance Code. According to the criteria to be used for determining independence pursuant to C-Rule 53 under Annex 1 to the Austrian Code of Corporate Governance, the following members of the Supervisory Board are deemed to be independent of the company and its Executive Board:

Norbert Zimmermann
Brigitte Ederer
Wolfram Littich
Sonja Zimmermann

Therefore, the Supervisory Board is an independent body.

Brigitte Ederer and Wolfram Littich represent the interests of minor shareholders in the Supervisory Board within the meaning of C-Rule 54 in conjunction with the criteria of independence defined by the Supervisory Board.

In the past year, no agreements requiring approval were in effect with members of the Supervisory Board or companies in which a member of the Supervisory Board held a considerable economic interest.

MEASURES TO PROMOTE WOMEN

In the financial year 2023, the share of men, women and diverse on the Executive Board and Supervisory Board was as follows:

EXECUTIVE BOARD AND SUPERVISORY BOARD	2023						2022					
	GENDER						GENDER					
	WOMEN		MEN		DIVERSE		WOMEN		MEN		DIVERSE	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Supervisory Board	2	40 %	3	60 %	0	0 %	2	40 %	3	60 %	0	0 %
Executive Board	0	0 %	2	100 %	0	0 %	0	0 %	2	100 %	0	0 %

Total number each as of 31 December.

Since 2018, the Act on the Equal Status of Women and Men in the Supervisory Board (GFMA-G) has stipulated a mandatory gender quota of at least 30 % for new Supervisory Board members, rounded to full numbers of persons, provided that the Supervisory Board consists of at least six members (shareholder representatives) and at least 20 % of the workforce are male and female employees. With Brigitte Ederer and Sonja Zimmermann on the Supervisory Board, the quota has been achieved (40 %).

SBO has a very lean corporate structure with equally lean hierarchies. Accordingly, we do not use the term “senior executives” and refrain from reporting in this regard. It would be distorting to mention only the managing directors of the subsidiaries.

LEADERSHIP.

`/'li:.də.ʃɪp/` (noun)

Vision; inspiration; responsibility; driving change with organizational skill; teamwork; **lead.**

Diversity Concept

The dynamic nature of our core business is a constant challenge to the Executive Board and Supervisory Board and of the subsidiaries included in consolidation. The cyclical nature of our industry and subsequent changes in the demand of our products require vast managerial expertise and understanding of the market dynamics in this sector. Additionally, the international positioning of the company calls for a cautious approach to the cultural situation in the various markets.

Regarding the composition of its Executive Board and Supervisory Board, the company does not apply a diversity concept within the meaning of Section 243c(2) (3) UGB (Austrian Commercial Code), as the sustained implementation of such a concept would lead to significant restrictions for a company operating in the energy service industry. Instead, the two qualitative criteria of “key competence” and “experience” have been defined as material for filling positions in management

and supervisory bodies. All individuals in the Supervisory Board are renowned experts in their respective fields, sharing their expertise in the meetings of the Supervisory Board. It spans from pertinent experience in the industry, cross-sectoral supervisory and/or managerial experience to qualifications in specific subject matters. There is a special focus on diversity in the workforce. The aim is to achieve a female quota of 25 % among the company's executives.

In the financial year 2023, the diversity concept was reflected across the entire SBO Group as follows: when hiring new employees, attention was paid to maintaining a diversified and high-performing team. The share of newly recruited employees aged between 30 to 50 years was the highest at 54 %, followed by 34 % of those under 30. The share of new employees over the age of 50 was 12 %.



**NEW HIRES
BASED ON GENDER AND AGE¹**

2023

	AGE						TOTAL	
	< 30		30 – 50		> 50			
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	171	36 %	252	52 %	56	12 %	479	88 %
Women	14	21 %	43	65 %	9	14 %	66	12 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	185	34 %	295	54 %	65	12 %	545	

¹ New hires including permanent hires and personnel taken on from other SBO companies.

**NEW HIRES
BASED ON GENDER AND AGE¹**

2022

	AGE						TOTAL	
	< 30		30 – 50		> 50			
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	214	35 %	331	54 %	67	11 %	612	88 %
Women	26	34 %	40	52 %	11	14 %	77	11 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	240	35 %	371	54 %	78	11 %	689	

¹ New hires including permanent hires and personnel taken on from other SBO companies.

**TOTAL NUMBER OF EMPLOYEES
BY GENDER AND AGE**

2023

	AGE						TOTAL	
	< 30		30 – 50		> 50			
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	231	17 %	823	59 %	336	24 %	1,390	87 %
Women	36	17 %	122	58 %	53	25 %	211	13 %
Diverse	0	0 %	0	0 %	0	0 %	0 %	0 %
Total	267	17 %	945	59 %	389	24 %	1,601	

Total number each as of 31 December.

**TOTAL NUMBER OF EMPLOYEES
BY GENDER AND AGE**

2022

	AGE						TOTAL	
	< 30		30 – 50		> 50			
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	229	18 %	784	60 %	289	22 %	1,302	88 %
Women	27	15 %	107	59 %	48	26 %	182	12 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	256	17 %	891	60 %	337	23 %	1,484	

Total number each as of 31 December.

The low attractiveness of the industry to women is clearly reflected in terms of the respective activity. Women accounted for 28 % of white-collar employees and 7 % of blue-collar employees (including apprentices). In yearly comparison, the quota of women slightly increased.

Regarding the international appointment of executives, professional and corporate culture aspects play a key role. All managing directors at SBO's subsidiaries have many years of experience in the industry.

**TOTAL NUMBER OF EMPLOYEES
BY GENDER AND TYPE OF EMPLOYMENT**

2023

	TYPE OF EMPLOYMENT							
	WHITE COLLAR		BLUE COLLAR		APPRENTICES		TOTAL	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	330	72 %	1,037	93 %	23	88 %	1,390	87 %
Women	128	28 %	80	7 %	3	12 %	211	13 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	458	29 %	1,117	69 %	26	2 %	1,601	

Total number each as of 31 December.

**TOTAL NUMBER OF EMPLOYEES
BY GENDER AND TYPE OF EMPLOYMENT**

2022

	TYPE OF EMPLOYMENT							
	WHITE COLLAR		BLUE COLLAR		APPRENTICES		TOTAL	
	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%	ABSOLUTE	%
Men	295	71 %	982	94 %	25	89 %	1,302	88 %
Women	120	29 %	59	6 %	3	11 %	182	12 %
Diverse	0	0 %	0	0 %	0	0 %	0	0 %
Total	415	28 %	1,041	70 %	28	2 %	1,484	

Total number each as of 31 December.

REPORT ABOUT THE EXTERNAL EVALUATION

C-Rule 62 Austrian Corporate Governance Code (ACGC) provides for a voluntary external evaluation of compliance with the C-Rules of the Code at least every three years. SBO commissioned DORDA Rechtsanwälte GmbH with the evaluation for the 2022 financial year, excluding evaluation of C-Rules 77 to 83 ACGC. The evaluation showed that SBO complied with the C-Rules of the ACGC in accordance with the declaration of compliance issued by SBO.

EVENTS AFTER THE BALANCE SHEET DATE

The changes in the composition of the Executive Board starting from 1 January 2024 have been outlined in the chapters above.

This Corporate Governance Report was prepared with the greatest possible diligence. Nevertheless, mistakes and printing errors cannot be excluded. This Corporate Governance Report includes information and forecasts that are based on the future development of the SBO Group and its member companies. These forecasts represent estimates, which have been prepared based on the information currently available. Should the assumptions underlying these forecasts not realize or risks—as those described in the risk report—occur, actual results may differ from the results currently expected.

This report may not be misinterpreted as a recommendation to buy or sell shares in SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft.

In the interest of better readability, we refrain from simultaneously using feminine and masculine versions and use only the masculine form. All references to persons apply equally to all genders.

This English translation of the report is for convenience. Only the German version shall be binding.

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FOR FURTHER INFORMATION:

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