

3. Corporate Governance

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3. Corporate Governance Report 2020/21

The Austrian Corporate Governance Code (ACGC) represents a regulatory framework for the management and monitoring of Austrian stock corporations. The foundation of the code is formed by Austrian stock corporation, stock exchange, and capital market law. This framework is based on EU recommendations for the responsibilities of supervisory board members and the remuneration of directors as well as the principles set forth in the OECD guidelines for corporate governance. The Austrian Corporate Governance Code takes effect through the voluntary commitment of companies to comply with its rules for good governance, in the respective version. The version of the code applicable to the 2020/21 financial year was published in January 2021 and is available under *corporate-governance.at*.

3.1 Commitment to the Austrian Corporate Governance Code

As a listed international company, the Zumtobel Group is committed, without limitation, to compliance with the guidelines defined by the Austrian Corporate Governance Code. It sees the code as an essential requirement for responsible management that is focused on the sustainable, long-term creation of value and high transparency towards all stakeholders. This commitment represents a voluntary obligation of the Zumtobel Group which is intended to strengthen the confidence of shareholders and to support the continuous optimisation of internal legal, conduct and ethics standards.

3.1.1 Comply or Explain

The Zumtobel Group met all rules of the ACGC in full during the 2020/21 financial year.

3.1.2 External evaluation of compliance with the Corporate Governance Code

The Corporate Governance Code (C-Rule 62) requires evaluation of compliance with the C-Rules (Comply or Explain) on a regular basis – at least every three years – by an external institution. This review was last carried out by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, in connection with the audit of the financial statements for the 2019/20 financial year. Based on the results of and evidence gained from this evaluation, the statement of compliance included in the company's corporate governance report for the 2019/20 financial year accurately represents, in all material aspects, the implementation of and compliance with the relevant rules of the ACGC. The report on the independent evaluation and the corporate governance report are available to the general public on the Zumtobel Group's website under <https://z.lighting>.

3.1.3 Compliance management at Zumtobel Group AG

The compliance management system is the subject of continuous development to protect the Group's ability to meet current and future responsibilities. The related activities are carried out in close cooperation between corporate audit & compliance, the legal department, risk management, the human resources department and corporate IT. The senior director of corporate audit & compliance reports on current compliance issues as well as planning and progress on the development and expansion of the compliance management system twice each year at the meetings of the Audit Committee. Regular one-on-one meetings are also held with the chairman of the Audit Committee. Additional information can be found in the management report under "Corporate Governance and Compliance".

3.2 The Corporate Bodies and Committees of Zumtobel Group AG

In accordance with Austrian law, the organisation of Zumtobel Group AG is based on three independent corporate bodies: the annual general meeting, the supervisory board and the management board. The Management Board of Zumtobel Group AG is responsible for the direction of the company. The Supervisory Board, a body that is completely separated from operating management and elected by the annual general meeting, exercises the required control functions. The Management Board and Supervisory Board are organised to ensure the strict separation of members, and membership on both boards at the same time is

not permitted. Cooperation between these three bodies is defined by the articles of association as well as the rules of procedure for the Management and Supervisory Boards. The articles of association are published on the Zumtobel Group's website under <https://z.lighting>.

3.2.1 Shareholders and the annual general meeting

Shareholders protect their interests and exercise their voting rights at the annual general meeting. The shares of Zumtobel Group AG are issued in accordance with the "one share - one vote" principle.

The annual general meeting is announced at least 28 days in advance and is held at the headquarters of the company, in Vienna or in another Austrian provincial capital. The information required by Austrian Stock Corporation Act is published on the company's registered website at the latest 21 days prior to the annual general meeting.

The shares issued by Zumtobel Group AG are bearer shares. Therefore, information on the shareholder structure can only be compiled when shareholders deposit their shares prior to an annual general meeting or when Zumtobel Group AG collects information on these shareholdings. The available information on the shareholder structure is provided in section 1.3 of the management report under "The Zumtobel Group Share".

The Zumtobel Group places high priority on a comprehensive, timely information policy that is based on equal treatment for all shareholders. In addition to meeting all legal requirements (e.g. the annual financial report, half-year report, interim reports and ad-hoc announcements), information on the latest company developments is provided through press releases, telephone conferences and investor events. All reports, announcements and key presentations are published on the Zumtobel Group website under <https://z.lighting>. A detailed financial calendar and other share-related information can be found on this website under the menu point "Investor Relations".

3.2.2 The Management Board

The members of the Management Board are appointed by the Supervisory Board. They may only take on additional duties or functions with the prior approval of the Supervisory Board.

The Management Board of Zumtobel Group AG included the following members as of 30 April 2021:

Name	Function	Born in	First appointed on	Term ends on
Alfred Felder	CEO (Chief Executive Officer)	1963	01.04.2016	30.04.2022
Thomas Tschol	CFO (Chief Financial Officer)	1970	01.04.2018	31.07.2021
Bernard Motzko	COO (Chief Operating Officer)	1962	01.02.2018	30.04.2024

Alfred Felder – CEO

Alfred Felder was appointed Chief Executive Officer (CEO) as of 8 June 2018 after having served as speaker of the Management Board of Zumtobel Group AG since February 2018. His term of office extends to 30 April 2022. Mr. Felder was born in 1963 in South Tyrol (Italy) and studied electrical engineering at the Vienna University of Technology, where he also received his doctorate. He joined the Siemens Group in 1990 where he held various research and development functions in Germany and, starting in 1995, was the technology manager for Siemens' Infineon subsidiary in Japan. In 2003 he transferred to OSRAM, a former Siemens subsidiary, and was responsible for various management functions in the areas of optoelectronic semiconductors and general lighting in the USA and China. Alfred Felder served as the managing director of the Zumtobel Group's Tridonic components subsidiary beginning in November 2012.

Additional functions or inter-company relations outside the Zumtobel Group: none.

Bernard Motzko – COO

Bernard Motzko was appointed Chief Operating Officer (COO) of the Zumtobel Group AG as of 1 February 2018. His term of office extends to 30 April 2024. Bernard Motzko was born in Upper Silesia in 1962 and grew up in Germany; he studied mechanical engineering and business management at Paderborn University, where he received his doctorate in 1994. After holding various positions in production, Bernard Motzko joined the former Siemens Nixdorf (now Diebold-Nixdorf) in 1997, a manufacturer of cash register systems, kiosk systems and automatic teller machines. He was initially responsible for the plant in Paderborn and assumed global responsibility for the production and supply chain in 2003. His primary focus was on the introduction of standardised processes and methods as well as the optimisation of the production network through the development of plants in Brazil and China.

Additional functions or inter-company relations outside the Zumtobel Group: member of the Advisory Board of Schwering & Hasse Elektrodraht GmbH (Germany).

Thomas Tschol – CFO

Thomas Tschol was appointed Chief Financial Officer (CFO) of the Zumtobel Group as of 1 April 2018 for a term of office extending to 30 April 2021. He was born in Lauterach (Austria), in 1970. Thomas Tschol studied business administration at the Ecole Supérieure de Commerce de Toulouse and Technical University of Berlin and completed these programmes in 1995. His professional career began at the Danube University in Krems and as a consultant with Cap Gemini Ernst & Young AG. Management Factory Corporate Advisory GmbH in Vienna, a financial management service company, was founded by Mr. Tschol in 2001. In addition to activities as the managing director of this company, he can look back on many years of experience as a chief financial officer, among others with Mayr-Melnhof Holz Holding AG.

Additional functions or inter-company relations outside the Zumtobel Group: managing director of Management Factory Corporate Advisory GmbH.

3.2.3 The Supervisory Board

The members of the Supervisory Board are elected by the annual general meeting. In accordance with C-Rule 59 of the Austrian Corporate Governance Code, the participation of employees on the Supervisory Board and its committees represents a legally regulated part of the Austrian corporate governance system. The Austrian Labour Constitutional Act entitles the employee representatives to delegate one member to the Supervisory Board and its committees for every two members (shareholder representatives) elected by the Annual General Meeting.

The members of the Supervisory Board of Zumtobel Group AG as of 30 April 2021 are listed below:

Name	Function	Born in	First appointed/ delegated in	Term ends on
Karin Zumtobel-Chammah	Chairwoman	1963	26.07.2019	2023
Georg Pachta-Reyhofen	First Vice-Chairman	1955	18.05.2020	2024
Volkhard Hofmann	Second Vice-Chairman	1952	21.07.2017	2022
Eva Kienle	Member	1967	26.07.2019	2023
Thorsten Staake	Member	1978	18.05.2020	2024
Christian Beer	Member	1961	24.07.2020	2022
Dietmar Dünser	Delegated by the Employees' Council	1966	24.07.2015	
Richard Apnar	Delegated by the Employees' Council	1974	26.06.2012	
Isabel Kreilhuber ¹	Delegated by the Employees' Council	1977	01.04.2021	

Georg Pachta-Reyhofen and Thorsten Staake were elected to the Supervisory Board at the extraordinary general meeting on 18 May 2020. Karin Zumtobel-Chammah was appointed chairwoman and Georg Pachta-Reyhofen vice-chairman of the Supervisory Board. Two long-standing members of the Supervisory Board, Jürg Zumtobel and Fritz Zumtobel, resigned as of this meeting. At the 44th annual general meeting on 24 July 2020, Christian Beer was elected to the Supervisory Board and Johannes Burtscher resigned as vice-chairman and member of the Supervisory Board.

3.2.4 The Supervisory Board | shareholder representatives

Karin Zumtobel-Chammah

Karin Zumtobel-Chammah has been chairwoman of the Supervisory Board of Zumtobel Group AG since 18 May 2020. She has been a member of this corporate body since 26 July 2019, and her term of office extends up to the annual general meeting for the 2022/23 financial year. Ms. Zumtobel-Chammah was born in 1963. After receiving an MBA from the University of Freiburg, she started her professional career with key management positions in the finance area before joining the Zumtobel Group in 1996. Ms. Zumtobel-Chammah last served as the Head of Art & Culture and, in this position, was responsible for the Group's art and cultural activities.

¹ Kai Arbinger was a member of the Supervisory Board of Zumtobel Group AG from May 2016 to 31 March 2021; he was delegated by the Central Employees' Council of Tridonic GmbH & Co. KG. Isabel Kreilhuber was designated to succeed him as of 1 April 2021 as an employee representative and member of the Supervisory Board of Zumtobel Group AG.

Additional functions or inter-company relations outside the Zumtobel Group: none.

Georg Pachta-Reyhofen

Georg Pachta-Reyhofen has been a member of the Supervisory Board of Zumtobel Group AG and its vice-chairman since 18 May 2020. His term of office extends up to the annual general meeting for the 2023/24 financial year. Mr. Pachta-Reyhofen was born in 1955 and studied mechanical and process engineering at the Vienna University of Technology, where he received his doctorate in 1985. Since 2018, he has accompanied technology companies, among others, through the current transformation as an independent consultant with excellent technical and strategic expertise. From 2006 to 2015, he held various positions on the management boards of MAN SE, Germany, also as CEO of MAN Diesel, CEO of MAN Truck & Bus and recently as CEO on the management board of MAN SE. Mr. Pachta-Reyhofen was previously active in key management functions for MAN Nutzfahrzeuge AG.

Additional functions or inter-company relations outside the Zumtobel Group: k SAG Motion GmbH, member of the supervisory board, Benteler International AG, member of the supervisory board, Bridgestone SA/NV, member of the supervisory board, Bundeswehr University Munich, chairman of the university and administrative council.

Volkhard Hofmann

Volkhard Hofmann has been a member of the Supervisory Board of Zumtobel Group AG since 21 July 2017 and vice-chairman since 18 May 2020; his term of office extends until the annual general meeting for the 2021/22 financial year. He was born in 1952. After receiving his doctorate in political science at Cologne University, he joined the Boston Consulting Group in 1982 and was elected partner and managing director in the minimum period of six years. He established and/or headed several practice groups during his time with the Boston Consulting Group and also held various international management positions.

Additional functions or inter-company relations outside the Zumtobel Group: Vice-chairman of the supervisory board of SMP AG Strategy Consulting Düsseldorf.

Eva Kienle

Eva Kienle has been a member of the Supervisory Board of Zumtobel Group AG since 26 July 2019. Her term of office extends up to the annual general meeting for the 2022/23 financial year. Ms. Kienle was born in 1967 and received a graduate degree in business management. She is a banker and, in addition to an Executive MBA, brings extensive relevant branch experience for her work on the Supervisory Board. She currently serves as the CFO of KWS Saat SE & Co. KGaA and previously held positions on the management boards of companies with private equity shareholders.

Additional functions or inter-company relations outside the Zumtobel Group: none.

Thorsten Staake

Thorsten Staake has been a member of the Supervisory Board of Zumtobel Group AG since 18 May 2020. His term of office extends up to the annual general meeting for the 2023/24 financial year. Mr. Staake was born in 1978 and completed studies in several academic disciplines, including a master of science in electrical and computer technology at Worcester Polytechnic Institute in the USA, a master in electrical and information technology at the Technical University in Darmstadt and a doctorate in technology management from the

University of St. Gallen in 2007. He has been a professor at Bamberg University since 2013, where he holds the chair for business informatics and energy efficient systems. Prior to this time, he served as co-director of the Bits to Energy Laboratory at the chair for information management an der Technical University in Zurich.

Additional functions or inter-company relations outside the Zumtobel Group: Hoval AG, Vaduz, member of the administrative board, Ben Energy AG, Zurich, member of the administrative board, Amphiro AG, Zurich, member of the administrative board.

Christian Beer

Christian Beer has been a member of the Supervisory Board of Zumtobel Group AG since 24 July 2020. His term of office extends up to the annual general meeting for the 2021/22 financial year. Mr. Beer was born in 1961 in Bregenz (Austria). After graduating from HTL Bregenz, he started his professional career in 1981 with Grass GmbH. In 1988 he founded Heron Sondermaschinenbau GmbH, a company whose original core business involved the development and construction of automatic assembly machines. Mr. Beer has since served as the managing partner of the Heron Gruppe in Dornbirn. From 1995 to 2020, he founded several companies including Robotunits GmbH with branches in the USA, Great Britain, Australia and Italy, as well as Heron CNC Technik GmbH, Servus Intralogistics GmbH and, most recently, SAFEDI Distance Control.

Additional functions or inter-company relations outside the Zumtobel Group: Pester Pac Automation, Germany, advisory board, HTL Bregenz, Austria, president of the board of trustees.

3.2.5 The Supervisory Board | employee representatives

Dietmar Dünser

Mr. Dünser was delegated to the Supervisory Board of Zumtobel Group AG by the Employees' Council for Salaried Employees in July 2015. He was born in Bludenz (Austria), in 1966. After completing secondary school (HTL) studies in telecommunications and electronics, he joined the Zumtobel Group in 1986 where he held various functions in the areas of development, marketing, product management and technical sales. He followed the completion of career-integrated, master studies in export and international management at the Management Center Innsbruck (MCI) by serving as a quality and risk management engineer at Zumtobel Lighting GmbH. Mr. Dünser joined the Employees' Council in 1999; in April 2015 he was elected chairman and in January 2016 full-time, independent representative of the Employees' Council for Salaried Employees of Zumtobel Group AG, Zumtobel Pool GmbH, Zumtobel Insurance Management GmbH, ZG Lighting Austria GmbH, ZG Lighting CEE GmbH and Zumtobel Lighting GmbH.

Additional functions or inter-company relations outside the Zumtobel Group: none.

Richard Apnar

Mr. Apnar was delegated to the Supervisory Board of Zumtobel Group AG by the Employees' Council for Wage Employees in June 2012. He was born in Lustenau (Austria) in 1974 and joined Zumtobel Lighting GmbH as an apprentice plastics technician in 1990. After successfully completing his examinations as a plastics technician in 1993, he worked in production up to 2008. In 2008 he transferred to the Zumtobel Group's supply chain organisation. Since September 2012, Mr. Apnar has served as the chairman of the Employees' Council for Wage Employees at Zumtobel Lighting GmbH.

Additional functions or inter-company relations outside the Zumtobel Group: none.

Isabel Kreilhuber

Isabel Kreilhuber was delegated to the Supervisory Board of Zumtobel Group AG as of 1 April 2021 by the Employees Council of Tridonic GmbH & Co. KG. She was born in 1977 in Dornbirn (Austria). After graduating from secondary school (BHAK) in Bregenz, she studied international management at Vorarlberg Technical college where she received her degree (Mag. FH). Ms. Kreilhuber joined the Zumtobel Group in March 2000 and has held various functions in sales and the global supply chain organisation. Since September 2016, she has served as the head of global planning at Tridonic GmbH & Co. KG. Ms. Kreilhuber had been a member of the Employees' Council for Salaried Employees at Tridonic GmbH & Co. KG since 2017.

Additional functions or inter-company relations outside the Zumtobel Group: none.

3.2.6 Contracts with Supervisory Board members which require approval

There are no contracts between the members of the Supervisory Board and the Zumtobel Group which require approval or disclosure in accordance with L-Rule 48 or C-Rule 49 of the Corporate Governance Code.

3.2.7 Independence of the Supervisory Board members

The Supervisory Board of Zumtobel Group AG defined the following criteria for the independence of its members, as required by C-Rule 53 of the Austrian Corporate Governance Code, in 2009. A member of the Supervisory Board is considered to be independent when he/she has no business or personal relations with the Zumtobel Group or the Management Board of Zumtobel Group AG. Such relations include, among others, significant customer delivery transactions or close family ties. The criteria for independence are disclosed in full on the Zumtobel Group's website under <https://z.lighting>.

All members of the Supervisory Board have declared their independence in accordance with these criteria, and C-Rule 53 is therefore met in full. The current Supervisory Board members Volkhard Hofmann, Georg Pachta-Reyhofen, Thorsten Staake, Eva Kienle and Christian Beer are independent and neither shareholders nor representatives of shareholders with an investment of more than 10%. Accordingly, C-Rule 54 is also met in full. The Supervisory Board confirms that the definition of the independence criteria reflects the guidelines in Appendix 1 to the Austrian Corporate Governance Code.

3.2.8 Measures to avoid conflicts of interest

The Supervisory Board members deal, at least once each year, with the provisions of the ACGC which are related to conflicts of interest. In addition, new members of the Supervisory Board are informed extensively of the need to avoid conflicts of interest when they join the board.

3.3 Working Procedures of the Management Board and Supervisory Board

The Management Board is responsible for directing the business activities of the Zumtobel Group in accordance with legal regulations, the articles of association and the rules of procedure for the Supervisory and Management Boards. Its members carry shared responsibility for the Group's success and long-term orientation. To facilitate daily work processes, individual board members were defined as the contact partners for specific functions and activities.

The distribution of duties as of 30 April 2021 is as follows:

Alfred Felder CEO	Thomas Tschol CFO	Bernard Motzko COO
<ul style="list-style-type: none"> - Corporate strategy, M&A, business processes - Business divisions - Sales - Marketing & communication, product marketing - Technology & development - Human resources - Legal 	<ul style="list-style-type: none"> - Accounting and tax, finance & controlling - Treasury - Risk management - Audit & compliance - Insurance - Investor relations - Facility management, Dornbirn 	<ul style="list-style-type: none"> - Operations - Supply chain & logistics - Quality - IT - Procurement

3.3.1 Working procedures of the Management Board

The Management Board generally meets twice each month to coordinate the control and management of the Group, whereby minutes are recorded of the related discussions and decisions. The board members also regularly exchange information on important measures and events in their respective areas of responsibility and communicate assessments by the individual managers in their reporting lines. Fundamental decisions are taken by the entire Management Board, whereby this responsibility also covers extensive and independent communication activities that have a major influence on the company's image to stakeholders. In addition, the Management Board supplies the Supervisory Board with information on all relevant issues involving the Zumtobel Group's economic and strategic development, risk position and risk management.

The Committee for Management Board Matters is responsible for relations between the company and the members of the Management Board. It also corresponds to the remuneration committee required by Rule 43 of the Corporate Governance Code and fulfils the duties required of a nominating committee under Rule 41. As one of the related duties, the committee developed and approved a job profile and nomination process for the Management Board in accordance with Rule 38.

3.3.2 Working procedures of the Supervisory Board

The Supervisory Board oversees the Management Board and provides support for the direction and development of the company, above all on issues of fundamental importance and strategic orientation. The working procedures for the Supervisory Board are defined in detail in the "Rules of Procedure for the Supervisory Board of Zumtobel Group AG". The chairmen of the Management Board and Supervisory Board regularly exchange information and views on the Group's sustainable development and strategic orientation. In order to meet its responsibilities for monitoring the work of the Management Board, the Supervisory Board of the Zumtobel Group meets at least once each quarter.

The Supervisory Board met six times in 2020/21: in four scheduled meetings and two constituent sessions. One member was excused from one meeting; all members were present, in part via communications software with acoustical and optical functions, at the other meetings.

The resignation of Jürg Zumtobel and Fritz Zumtobel from the Supervisory Board and the subsequent election of Georg Pachta-Reyhofen and Thorsten Staake was followed by a constituent meeting on 18 May 2020 at which Karin Zumtobel-Chammah was designated chairwoman of the Supervisory Board.

A further constituent meeting was held after the 44th annual general meeting on 24 July 2020, at which Volkhard Hofmann and Christian Beer were elected to the Supervisory Board.

3.3.3 Evaluation of the Supervisory Board's activities

Based on a self-evaluation via questionnaire, the Supervisory Board extensively reviewed the efficiency of its work in accordance with C-Rule 36 at its meeting in June 2020. The efficiency of and opportunities for improvement in organisational and working procedures as well as coordination between the Supervisory Board and Management Board were openly discussed.

3.3.4 Composition and working procedures of the committees

The Supervisory Board of Zumtobel Group AG has established three committees to support the efficient performance of its advising and control functions. These committees deal with specific issues and prepare resolutions for the full Supervisory Board:

Audit Committee

The members of the Audit Committee are as follows:

Name	Function
Eva Kienle	Chairwoman
Karin Zumtobel-Chammah	Vice-Chairwoman
Volkhard Hofmann	Member
Georg Pachta-Reyhofen	Member
Dietmar Dünser	Employee representative
Isabel Kreilhuber	Employee representative

The Audit Committee is primarily responsible for the audit of and preparations for the approval of the separate financial statements and consolidated financial statements, the management report, the corporate governance report and the recommendation for the distribution of profit. High priority is given to the monitoring of accounting processes as well as the effectiveness of the internal control system, internal audit, the compliance organisation and risk management, whereby the committee performs preparatory work for the Supervisory Board. The Audit Committee prepares a recommendation for the annual general meeting concerning the selection of the auditor and monitors the independence of the auditor on an annual basis, above all concerning additional services provided.

The Audit Committee met twice in 2020/21. All members were present at both meetings.

The meeting on 22 June 2020 concentrated on the annual financial statements for 2019/20. The auditor of the consolidated and separate financial statements and company staff supplied the Audit Committee with detailed information on the consolidated financial statements and separate financial statements of Zumtobel Group AG as well as accounting processes and major accounting principles. Other reports (compliance management and data protection, risk management system, internal control system, internal audit, corporate governance and compliance) were discussed and accepted. A resolution for the appointment of the auditor for the 2020/21 financial year was approved and passed on to the Supervisory Board.

The Audit Committee meeting on 4 February 2021 dealt with the six-month financial statements as of 31 October 2020, whereby the related reports by the auditor and corporate staff were accepted. Consultations centred on the accounting process and the focal points selected for review. The audit approach and focal points for the audits of the 2020/21 separate and consolidated financial statements were presented and explained by the auditor. Status reports on the internal control system, internal audit and compliance management in the Zumtobel Group were also presented and accepted.

Committee for Management Board Matters

The members of the Committee for Management Board Matters are as follows:

Name	Function
Volkhard Hofmann	Chairman
Georg Pachta-Reyhofen	Vice-Chairman
Karin Zumtobel-Chammah	Member
Christian Beer	Member

The Committee for Management Board Matters is responsible for relations between the company and the members of the Management Board. It corresponds to the remuneration committee required by Rule 43 of the Corporate Governance Code and fulfils the duties required of a nominating committee under Rule 41. As such, it also prepares recommendations for the appointments to the Management Board and deals with issues related to succession planning. These recommendations are submitted to the Supervisory Board after the qualifications and experience of suitable candidates have been compared against a pre-defined profile. The Supervisory Board is responsible for the final decision on the selection of a Management Board member.

The Committee for Management Board Matters held several meetings and telephone conferences during 2020/21 which involved discussions or follow-up work on key topics. The main issues handled by the committee during the reporting year were the initial recommendation to the Supervisory Board on remuneration policies for the Management Board and Supervisory Board of Zumtobel Group AG, the extension of the Management Board appointments of Thomas Tschol as Chief Financial Officer of Zumtobel Group AG to 31 July 2021 and Bernard Motzko as Chief Operating Officer of Zumtobel Group AG to 30 April 2024 and, subsequently, the appointment of Thomas Erath as Chief Financial Officer of Zumtobel Group AG for a term extending to 31 July 2024.

In addition, the Committee for Management Board Matters served as a sounding board for the Management Board on various issues during the 2020/21 financial year.

Strategy Committee

The members of the Strategy Committee are as follows:

Name	Function
Georg Pachta-Reyhofen	Chairman
Volkhard Hofmann	Vice-Chairman
Karin Zumtobel-Chammah	Member
Thorsten Staake	Member
Dietmar Dünser	Employee representative
Isabel Kreilhuber	Employee representative

As a sounding board for the Management Board, the Strategy Committee regularly reviews the strategic positioning of the company and the implementation of strategic measures.

The Strategy Committee held two meetings in 2020/21 which dealt with a wide range of key strategic and cultural issues involving the Zumtobel Group. The most important issues accompanied by the committee during the past year included the evaluation of options for the corporate strategy and the expansion of the Zumtobel Group FOCUS strategy into FOCUSED as a means of underscoring the increased concentration on sustainability and the digitalisation of business processes. Additional information can be found in section 1.1.6 of the management report.

3.4 Diversity Concept and Measures to Support Women

Diversity in the workforce is an important factor for creating an innovative climate in the company and protecting the Group's competitive position. The Zumtobel Group's workforce includes men and women from roughly 80 different nations, whereby the staff at the corporate headquarters in Dornbirn, Austria, represent roughly 50 nations. The Zumtobel Group is an equal opportunity employer and, as such, rejects any form of discrimination based on ethnic origin, nationality, gender, cultural background, age, disability, religious conviction or sexual orientation. All people are unique, valuable and have individual capabilities. This belief is also manifested in the Zumtobel Group's code of conduct, which prohibits all forms of discrimination. Experience, qualifications and performance are the basis for personnel decisions in all corporate areas and at all management levels. There is no specific target for the appointment of women to management positions, but internal and external recruiting and personnel development measures are increasingly aimed in this direction.

The Zumtobel Group recognises that the continuation of existing initiatives and an open approach to new initiatives requires a greater share of women in higher qualified positions. In order to safeguard its competitive ability and benefit from a wide range of different viewpoints, the Zumtobel Group has set a goal to increase the share of women and, accordingly, their representation in the Group each year. The share of women in the Zumtobel Group's workforce equalled 35.7% in 2020/21 (2019/20: 35.8%), including 7.3% in management positions.

The Zumtobel Group works to increase its attractiveness as an employer and implements measures to support the work-life balance. Part-time employment, educational leave, sabbaticals, parental leave for fathers, home office options or other models are arranged where needed. Mothers and fathers who return to work after maternity and parental leave are actively supported in their reintegration. The Management Board of the Zumtobel Group is well aware of the importance of diversity and will formulate this belief in concrete terms as part of its strategy as the basis for defining further targeted measures.

The Zumtobel Group follows a uniform remuneration scheme with high transparency. Detailed position descriptions and functional evaluations ensure that compensation reflects the job requirements and is also fair and appropriate. This focus on the functional content also limits any gender-specific irregularities.

Detailed information is provided in the management report under "Non-Financial Statement".

3.5 Diversity on the Supervisory Board and Management Board

The members of the Supervisory and Management Boards are selected on the basis of their professional qualifications and personal expertise in order to achieve a balance of educational and professional backgrounds. Support for diversity with regard to generations and genders are included in selecting new appointments.

The following table shows the structure of the Management Board and Supervisory Board of Zumtobel Group AG as of 30 April 2021:

	Gender	Education	Age group
Management Board			
	Men (3)	Economics (1)	< 50 (0)
	Women (0)	Electrical engineering (1)	50 to 60 (3)
		Industrial engineering and mechanical engineering (1)	> 60 (0)
Supervisory Board			
Shareholder representatives	Men (4)	Economics (4)	< 50 (1)
	Women (2)	Engineering (2)	50 to 60 (3)
			> 60 (2)
Employee representatives	Men (2)	Economics (1)	< 50 (2)
	Women (1)	Plastics engineering (1)	50 to 60 (1)
		Telecommunications and electronics (1)	> 60 (0)

The basic and overriding selection criteria for appointments to the Management Board are the professional qualifications required for the respective function, leadership qualities, previous experience and acquired capabilities as well as knowledge of the company. These criteria and aspects for the selection of Management Board members are independent of the candidate's gender. In 2020/21, the Management Board of Zumtobel Group AG consisted of three men between 50 and 58 years of age who come from three different countries. The Management Board, as a whole, combines business and engineering know-how and many years of experience, within the Group and in international management positions with various companies.

The relevant diversity aspects for the composition of the Supervisory Board include the age of the members, the equal representation of genders, internationality and a balanced professional and educational background. The members of the Supervisory Board of Zumtobel Group AG range from 44 to 69 years of age and, as a whole, cover the entire spectrum of fields which are relevant for the company. Business skills and many years of management experience and competence round out the profile. The Supervisory Board had three female

members in 2020/21, which reflects the defined target of 33%. The Zumtobel Group is working to increase the share of women in its management and control bodies and gives special attention to the evaluation of female talents in succession planning.

3.6 Changes after the balance sheet date on 30 April 2021

No reportable events occurred between the end of the 2020/21 financial year on 30 April 2021 and the preparation of this corporate governance report.

Dornbirn, 17 June 2021

The Management Board

Alfred Felder
Chief Executive Officer (CEO)

Thomas Tschol
Chief Financial Officer (CFO)

Bernard Motzko
Chief Operating Officer (COO)

Report of the Supervisory Board of Zumtobel Group AG for the 2020/21 Financial Year

Dear Shareholders,

The outbreak of the Covid-19 pandemic confronted our employees, management, suppliers, customers and all other stakeholders of the Zumtobel Group with unprecedented challenges. Management and our entire workforce demonstrated their ability to react quickly to new and unforeseen situations and implement an extensive package of measures. Based on these measures and the transformation completed in recent years, the company proved to be extremely crisis-resistant in these difficult times – as can be seen in the robust results for the 2020/21 financial year with revenues of EUR 1,044.5 million and adjusted Group EBIT of EUR 45.5 million. Communication between the Management Board and the Supervisory Board was characterised by a high degree of openness which made it possible for the Supervisory Board to evaluate business activities at any time and support the Management Board in important decisions.

We performed the duties required by law and the articles of association during the 2020/21 financial year by regularly monitoring the direction of the company by the Management Board and the management of Zumtobel Group AG. The Management Board provided us with comprehensive verbal and written reports on a regular and timely basis, which covered the general development of business and major events as well as the position of Zumtobel Group AG and the Zumtobel Group. During the periods between the scheduled meetings, the Management Board supplied the Supervisory Board with regular reports on important individual subjects. The chairman of the Management Board and the chairwoman of the Supervisory Board also held a number of personal meetings. These activities allowed the Supervisory Board to meet its obligations in full.

The Supervisory Board of Zumtobel Group AG included the following six shareholder representatives as of 30 April 2021: Karin Zumtobel-Chammah, Georg Pachta-Reyhofen, Volkhard Hofmann, Eva Kienle, Thorsten Staake and Christian Beer. The Supervisory Board, in its current composition, meets the requirements of the Austrian Stock Corporation Act and is not restricted in any way whatsoever in its actions or decision capacity.

Meetings of the Supervisory Board

The Supervisory Board met six times during the 2020/21 financial year, in four scheduled meetings and two constituent meetings. One member was excused from one meeting, and there was full attendance at all other meetings, in part through acoustical and optical participation via communications software.

Regular virtual meetings were also held in 2020/21, which was a crisis year due to the worldwide Covid-19 pandemic. Information was provided on the current development of business in light of the Covid-19 crisis, with additional topics covering the measures introduced by the company to protect employees' health, to minimise the risks for the company's development and to identify opportunities. We successfully addressed fundamental long-term challenges – also in this challenging environment. One result was the expansion of the "Focus" strategy to include two new aspects: "E" ("Environment and Engaged Employees") and "D" ("Digitalisation") – and to be "FOCUSED".

Following the resignation of Jürg Zumtobel and Fritz Zumtobel from the Supervisory Board and the election of Georg Pachta-Reyhofen and Thorsten Staake, the Supervisory Board was newly constituted in its meeting on 18 May 2020 and Karin Zumtobel-Chammah was elected chairwoman.

The Strategy Committee was also newly constituted in this meeting; Georg Pachta-Reyhofen was elected chairman and Volkhard Hofmann vice-chairman. The other committee members are Karin Zumtobel-Chammah and Thorsten Staake as shareholder representatives.

A circular resolution on 2 June 2020 approved the conclusion of EUR 39.9 million in special KRR financing for Zumtobel Lighting GmbH by Österreichische Kontrollbank (OeKB) with a 60% liability assumption by the Republic of Austria. This loan was fully drawn during the first half of 2020/21 but was repaid gradually beginning in the third quarter due to the positive development of business. The final repayment was made in the fourth quarter, and the credit line was cancelled before the balance sheet date on 30 April 2021.

The Supervisory Board meeting on 22 June 2020 included a detailed evaluation of the separate financial statements of Zumtobel Group AG and the related consolidated financial statements. The accompanying documents and the auditor's report were discussed in detail together with the auditor and presented to and approved by the Supervisory Board. Status reports were provided on the development of business and individual projects, and elections were held for the executive bodies of subsidiaries (Zumtobel Lighting GmbH, Tridonic GmbH). The contract for Thomas Tschol as Chief Financial Officer of Zumtobel Group AG was also extended to 31 July 2021. Based on a self-evaluation via questionnaire, the Supervisory Board reviewed the efficiency of its work and opportunities for improvement in its organisation and working procedures.

The Supervisory Board was newly constituted after the 44th general meeting on 24 July 2020, in which Volkhard Hofmann and Christian Beer were elected to the Supervisory Board. At the Supervisory Board meeting which immediately followed the general meeting, Karin Zumtobel-Chammah was elected chairwoman and Georg Pachta-Reyhofen and Volkhard Hofmann were elected vice-chairmen.

The vacancies on the Audit Committee and the Committee for Management Board Matters created by the resignation of Johannes Burtscher from the Supervisory Board, were filled during the past financial year.

The Audit Committee now includes the following shareholder representatives: Eva Kienle (chairwoman), Karin Zumtobel-Chammah (vice-chairwoman), Georg Pachta-Reyhofen and Volkhard Hofmann.

The Committee for Management Board Matters now includes Volkhard Hofmann as chairman and Georg Pachta-Reyhofen as vice-chairman as well as Karin Zumtobel-Chammah and Christian Beer as further shareholder representatives.

The agenda for the Supervisory Board meeting on 9 October 2020 dealt with the Forecast 3+9 and status reports on individual projects. The Supervisory Board also approved the implementation of the new Global Reward Scheme (GRS) for key managers and instructed the Management Board to strengthen the focus of the digital business model at the components and luminaire levels.

The contract with Bernard Motzko as a member of the Management Board of Zumtobel Group AG was extended to 30 April 2024 through a circular resolution dated 16 November 2020.

Based on a circular resolution dated 22 February 2021, Thomas Erath was appointed to succeed Thomas Tschol on the Management Board of Zumtobel Group AG; his appointment covers the period from 1 August 2021 to 31 July 2024.

The central issues at the Supervisory Board meeting on 4 February 2021 were individual projects and the approval of capital measures for the Group.

The budget for the 2020/21 financial year and medium-term planning for the 2022/23, 2023/24 and 2024/25 financial years were accepted at the Supervisory Board meeting on 23 April 2021. A capital increase and changes in executive appointments for the Group were also discussed.

Audit Committee

The Audit Committee met twice during 2020/21, with full attendance at both meetings.

The meeting on 22 June 2020 concentrated on the consolidated and separate financial statements for 2019/20. The auditor and the company staff supplied the Audit Committee with detailed information on the consolidated financial statements and separate financial statements of Zumtobel Group AG as well as accounting processes and major accounting principles. Other reports (compliance management and data protection, risk management system, internal control system, internal audit, corporate governance and compliance) were discussed and accepted. A resolution for the appointment of the auditor for the 2020/21 financial year was approved and passed on to the Supervisory Board.

The Audit Committee meeting on 4 February 2021 dealt with the six-month financial statements as of 31 October 2020, whereby the related reports by the auditor and corporate staff were accepted. Consultations centred on the accounting process and the focal points selected for review. The audit approach and focal points for the audits of the 2020/21 separate and consolidated financial statements were presented and explained by the auditor. Status reports on the internal control system, internal audit and compliance management in the Zumtobel Group were also presented and accepted.

In three telephone meetings during November 2020, February 2021 and June 2021, the Audit Committee and the Management Board discussed results for the first and third quarters of the financial year as well as the updated risk position and the new auditor's extensive findings from the initial audit. The chairwoman of the Audit Committee held regular discussions with the auditor and the Chief Financial Officer to monitor the audit during the pre-audit and main audit phases in May and June 2021.

Committee for Management Board Matters

The members of the Committee for Management Board Matters held numerous meetings and telephone conferences during the 2020/21 financial year, which involved discussions and follow-up assessments of key topics. The most important issues handled during the reporting year included the following: the initial recommendation of a remuneration policy for the Management Board und Supervisory Board of Zumtobel Group AG for submission to the Supervisory Board; the extension of the appointment of Thomas Tschol as Chief Financial Officer of Zumtobel Group AG to 31 July 2021 and the appointment of Bernard Motzko as Chief Operating Officer of Zumtobel Group AG to 30 April 2024; and the appointment of Thomas Erath as the successor to Thomas Tschol as Chief Financial Officer of Zumtobel Group AG up to 31 July 2024.

The Committee for Management Board Matters also served as a sounding board for the Management Board on a wide range of issues.

Strategy Committee

In two meetings, the members of the Strategy Committee dealt with a wide range of key strategic and cultural issues involving the Zumtobel Group. The most important issues accompanied by the Strategy Committee in 2020/21 included the evaluation of options for the corporate strategy 2025, including a discussion of the new business and service models as growth drivers, the brand strategy, and the extension of the Zumtobel Group's strategy from FOCUS to FOCUSED to strengthen sustainability and support the development of a portfolio of digital solutions. Our goal for sustainability is to anchor this issue even stronger in our actions. This was reflected in a greater concentration on our existing sustainability initiatives. Climate neutrality for the Zumtobel Group by 2025 is one of our defined goals. We also want the Zumtobel Group to take on a pioneering role in the circular economy. Efforts in this respect include the responsible handling of material resources as well as the systematic minimisation of waste, emissions and energy consumption. Our claim to be the leading provider of user-oriented light solutions for the interconnected world will be underscored, above all, by pioneering work in innovation and digitalisation, the maintenance of a high-quality, interdisciplinary network in the areas of technology, science, design and art as well as the acceptance of responsibility for future generations through the creation of sustainable products and services for a circular economy.

The members of the Strategy Committee, together with management, also concentrated on and updated the vision & mission of the Zumtobel Group.

Additional information is provided in section 1.1.6 of the Group management report.

Consolidated and Separate Financial Statements

The separate financial statements and the management report as well as the consolidated financial statements and the group management report of Zumtobel Group AG for the 2020/21 financial year, which were prepared by the Management Board, were audited by PwC Wirtschaftsprüfung GmbH, Vienna, and given unqualified opinions. After an extensive review and discussion of the separate financial statements of Zumtobel Group AG with the auditor at meetings of the Audit Committee and the Supervisory Board, which provided no grounds for reservation, the Supervisory Board stated its agreement with the management reports for the company and the Group pursuant to § 96 (1) of the Austrian Stock Corporation Act and approved the separate financial statements of Zumtobel Group AG. These financial statements are therefore considered finalised in accordance with § 96 (4) of the Austrian Stock Corporation Act. The Supervisory Board also approved the consolidated financial statements as well as the consolidated corporate governance report which was reviewed by the Audit Committee.

The Supervisory Board would like to thank the Management Board and the employees of Zumtobel Group AG and its member companies for their strong personal commitment during the past financial year.

We would also like to thank the shareholders of Zumtobel Group AG for their confidence.

For the Supervisory Board

Karin Zumtobel-Chammah
Chairwoman of the Supervisory Board

Dornbirn, am 24 June 2021