

## Remuneration system for members of the management board

In financial year 2025, the supervisory board fundamentally reviewed the remuneration system for the management board (“2024 Remuneration System”), which had been approved by the General Meeting on 16 May 2024 with a vote of 96.70%, and revised it taking into account the corporate strategy, best practices in the market, and the expectations of investors and voting rights consultants. The supervisory board has also taken into account the feedback received from the shareholders of ElringKlinger AG over the last few years. Based on the results of the review, the supervisory board made a resolution on a revised remuneration system on 25 March 2026 (“2026 Remuneration System”) and, in particular, adjusted the variable remuneration in order to set differentiated incentives to implement the corporate strategy. The revised remuneration system is described in detail below.

The 2026 Remuneration System enters into force for the management board members active in financial year 2025 with effect from 01 January 2027. For management board members who join the management board after 01 January 2026, the 2026 Remuneration System will enter into force retroactively as of 01 January 2026.

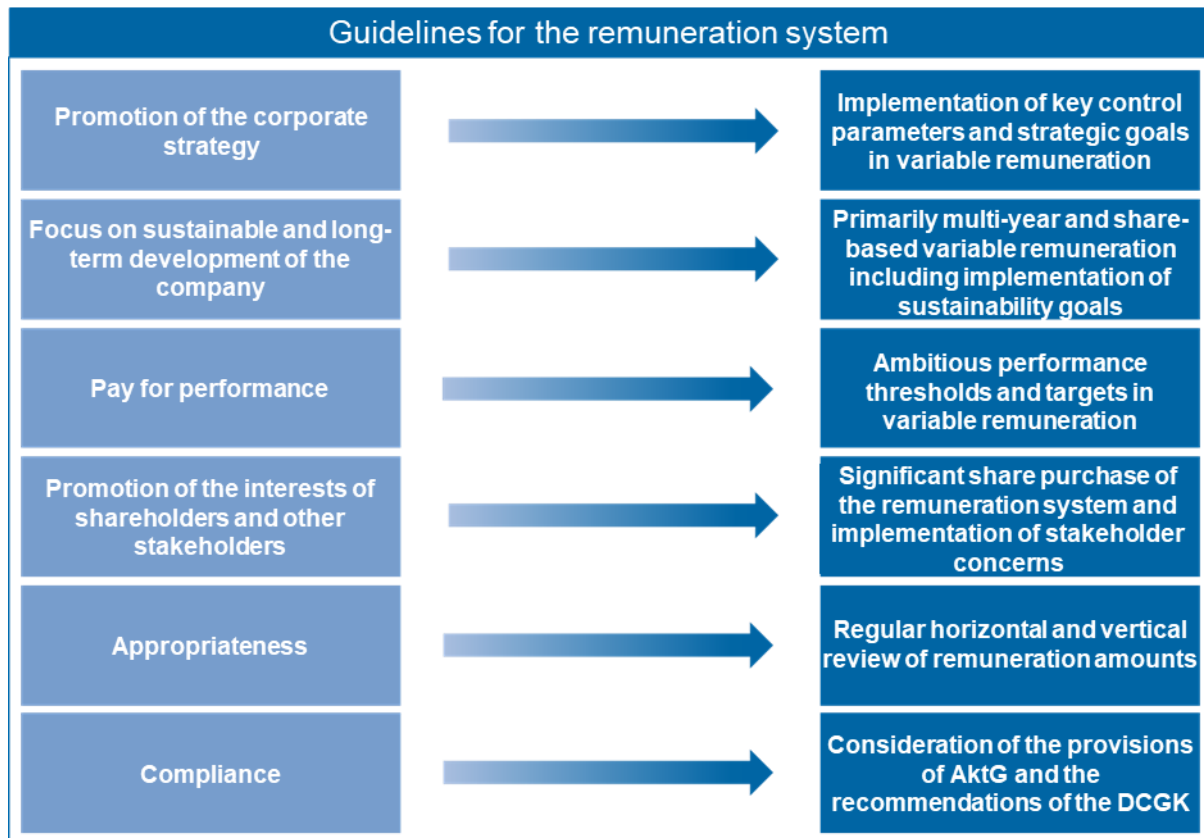
### 1. Guidelines and strategic approach of the remuneration system

ElringKlinger is an independent automotive supplier operating worldwide and pursues the goal of helping to shape the transition to alternative propulsion concepts as an innovative development partner in the automotive industry. In order to reach that goal, strategic alignment with sustainable and profitable growth is crucial. The present management board’s remuneration system contributes to the implementation of the defined corporate strategy via targeted incentives, and to the accomplishment of the goals set forth therein.

In setting up the remuneration system, the supervisory board has ensured that the members of the management board are compensated in accordance with their performance and their contribution to the sustainable and long-term development of the company under a “pay for performance” concept. In order to guarantee this, the ElringKlinger Group has implemented key control parameters in the remuneration system as performance criteria for variable remuneration. These include in particular adjusted EBIT (Earnings Before Interests and Taxes) and operating FCF (Free Cash Flow) in short-term variable remuneration, as well as performance criteria for ROCE (Return on Capital Employed), EBIT margin and revenue growth in long-term variable remuneration. Ambitious performance thresholds and targets ensure that the payment of variable remuneration is closely linked to the economic success of the Group. In addition to core financial management ratios, central non-financial performance criteria are also implemented, which incentivise the achievement of strategically relevant sustainability goals within the framework of long-term variable remuneration. Beyond that, the remuneration system is directly designed to meet the interests of the shareholders. The primary portion of the variable remuneration is linked to the long-term performance of ElringKlinger shares on the capital market. In addition, the management board members under the Share Ownership Guideline are obligated to acquire a significant portfolio of ElringKlinger shares and to hold them until the end of their time in office. Furthermore, it is intended that parallel incentives will be set for the management board's remuneration system and that of higher management (consistency). In addition, the remuneration and employment conditions of employees are taken into account, so employee-related goals can also be considered in the variable remuneration.

The remuneration system described below complies with the regulatory requirements of the German Stock Corporation Act (AktG [Aktiengesetz]) and takes into account the recommendations and suggestions of the German Corporate Governance Codex (DCGK [Deutsche Corporate Governance Kodex]) in its version dated 28 April 2022.

In designing and setting up the remuneration system of the management board, the supervisory board has considered and implemented the following guidelines:



## 2. Procedure for setup and implementation as well as review of the remuneration system, conflicts of interest

According to Sections 87a para. 1, 120a para. 1 AktG, the supervisory board rules on a clear and comprehensible remuneration system for the management board and submits it to the General Meeting for approval. The Personnel Committee prepares the resolution of the supervisory board on the remuneration system.

In the case of substantial changes to the remuneration system, the supervisory board shall submit the remuneration system to the next Annual General Meeting for approval. If no substantial changes are made to the remuneration system, the remuneration system shall be presented at least every four years. If the remuneration system that the supervisory board made a resolution on is not approved, the supervisory board shall submit a revised remuneration system in the next Annual General Meeting as per Section 120a para. 3 AktG.

Taking into account its independence vis-a-vis the management board and enterprise, the supervisory board can be supported by an external remuneration consultant and legal consultants in the case of a specific design of the remuneration system. The supervisory board has made use of this in the course of reworking the remuneration system.

The general provisions of AktG and of the DCGK for handling conflicts of interest in the supervisory board and in the Personnel Committee have been and are also observed in the procedure for setup and implementation as well as for the review of the remuneration system. In particular, the supervisory board pays attention to their independence when selecting remuneration and legal consultants.

### **3. Setting a specific total target remuneration and appropriateness of the management board remuneration**

The Personnel Committee reviews the remuneration of the management board members at regular intervals, and proposes an adjustment to the supervisory board if needed, about which the supervisory board plenary session shall decide. The proposals are aligned with the size and international activity of the company, its economic and financial situation, its future prospects, the amount and structure of the management board remuneration of comparable companies, and the remuneration structure which otherwise applies at ElringKlinger. Additionally, the tasks and performance of the relevant management board member and the entire management board are taken into account. The remuneration should be measured in such a way that it is competitive in the market for highly-qualified managers and offers incentives for successful work in a corporate structure with a clear emphasis on performance and results. On this basis, the supervisory board shall establish the amount of the total target remuneration for every management board member. In addition, the supervisory board considers the ratio of management board remuneration to the remuneration of the upper management group and the workforce as a whole, including in terms of its development over time, in accordance with recommendation G.4 of the DCGK to assess the customary nature of remuneration within the company

## **4. Overview of the remuneration system of the management board**

### **4.1. Components of remuneration**

The remuneration of management board members is composed of fixed and variable components. The fixed remuneration comprises a fixed annual salary, ancillary benefits, and a pension allowance. Variable remuneration consists of a short-term component (short-term incentive, STI) and a long-term component (long-term incentive, LTI).

An overview of the remuneration components of the 2026 Remuneration System as well as the changes compared to the 2024 remuneration System are presented below:

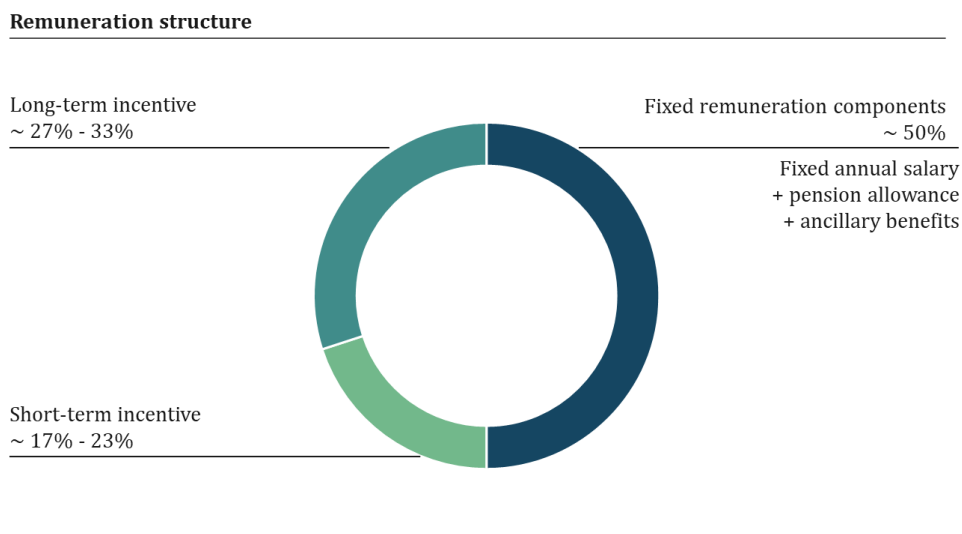
Comparison of remuneration systems and significant changes

Remuneration components	2024 Remuneration System	2026 Remuneration System	Justification	
Fixed annual salary	<ul style="list-style-type: none"> <li>Fixed annual salary paid out in 12 monthly instalments</li> </ul>			
Ancillary benefits	<ul style="list-style-type: none"> <li>Benefits in kind, especially from the provision of company cars, mobile phone and other communications means, as well as insurance benefits</li> <li>Special payments to new members of the management board to compensate for loss of salary from a previous employment relationship</li> </ul>			
Pension allowance	<ul style="list-style-type: none"> <li>Annually paid pension allowance for the purpose of private pension provision</li> </ul>	<ul style="list-style-type: none"> <li>Annually paid pension allowance for the purpose of private pension provision <b>(maximum 25% of fixed annual salary)</b></li> </ul>	Consideration of feedback from our shareholders	
Short-term incentive (STI)	Plan type	<ul style="list-style-type: none"> <li>Target bonus system</li> </ul>		
	Plan period	<ul style="list-style-type: none"> <li>1 year</li> </ul>		
	Performance criteria	<ul style="list-style-type: none"> <li>50% adjusted EBIT (actual/actual comparison)</li> <li>50% operating FCF (actual/actual comparison)</li> <li>Criteria-based modifier (0.8 - 1.2) for taking into account individual and collective performance of the management board and implementation of non-financial objectives (in particular sustainability aspects and stakeholder concerns)</li> </ul>	<ul style="list-style-type: none"> <li>50% adjusted EBIT <b>(target/actual comparison)</b></li> <li>50% operating FCF <b>(target/actual comparison)</b></li> <li>Criteria-based modifier (0.8 - 1.2) with <b>option to take into account the collective performance</b> of the management board and <b>penalty in the event of a failure to meet HSE objectives (HSE = Health, Safety and Environment)</b></li> </ul>	Performance standard transition for performance criteria to reinforce the “pay for performance” concept, emphasis on modifier
	Payout	<ul style="list-style-type: none"> <li>In cash after completion of the respective financial year (cap: 200% of the total allotment)</li> </ul>		
Long-term incentive (LTI)	Plan type	<ul style="list-style-type: none"> <li>Restricted stock plan</li> </ul>	<ul style="list-style-type: none"> <li><b>Performance share plan (PSP)</b></li> </ul>	Changeover to a standard market performance share plan with strategy-related performance criteria to reinforce the “pay for performance” concept and to promote a differentiated and long-term incentive structure
	Plan period	<ul style="list-style-type: none"> <li>One-year performance period of STI</li> <li>Subsequent four-year holding period for shares acquired</li> </ul>	<ul style="list-style-type: none"> <li><b>Three-year performance period</b></li> <li><b>Subsequent one-year holding period</b></li> </ul>	
	Performance criteria	<ul style="list-style-type: none"> <li>Payout linked to overall STI target achievement</li> <li>Price development of ElringKlinger shares</li> </ul>	<ul style="list-style-type: none"> <li><b>40% ROCE</b></li> <li><b>20% EBIT margin</b></li> <li><b>20% revenue growth</b></li> <li><b>20% ESG goals</b></li> <li>Price development of ElringKlinger shares</li> </ul>	
	Payout	<ul style="list-style-type: none"> <li>Payment in cash with investment obligation after the end of the performance period</li> <li>Cap: 200% of the award amount</li> <li>Free disposal of shares held after the four-year holding period</li> </ul>	<ul style="list-style-type: none"> <li>Generally in cash <b>after the end of the four-year period (with the option to settle in shares)</b></li> <li>Cap: 200% of the award amount</li> </ul>	
Penalty and clawback	<ul style="list-style-type: none"> <li>Withholding or clawback of a portion of or the entire variable remuneration (STI and LTI) in the case of compliance breaches or incorrect consolidated financial statements</li> </ul>			
Share ownership guideline	<ul style="list-style-type: none"> <li>Equity holding obligation in the amount of the gross fixed annual salary for all management board members</li> <li>Build-up period of 4 years</li> <li>Holding obligation for up to 2 years after management board activity</li> </ul>	<ul style="list-style-type: none"> <li>Equity holding obligation in the amount of the gross fixed annual salary for all management board members</li> <li>Build-up period of 4 years</li> <li><b>Holding obligation until the end of management board activity</b></li> </ul>	Transition to a standard market holding period	
Maximum remuneration	<ul style="list-style-type: none"> <li>EUR 3.5 million for the chairperson of the management board</li> <li>EUR 2.0 million for the ordinary management board members</li> </ul>	<ul style="list-style-type: none"> <li><b>EUR 3.2 million</b> for the chairperson of the management board</li> <li>EUR 2.0 million for the ordinary management board members</li> </ul>	Adjustment to the maximum possible remuneration of the chairperson of the management board	

#### 4.2. Remuneration structure

The total target remuneration of the management board members, i.e. the total remuneration for 100% target achievement, consists of approximately 50% fixed remuneration components (total of fixed annual salary, ancillary benefits and pension allowance) and approximately 50% variable remuneration components (total award amounts of short-term incentives and long-term incentives). It is also ensured that the variable remuneration that results from meeting long-term goals exceeds the share of variable remuneration from short-term goals. The remuneration structure thus contributes overall to the implementation of the “pay for performance” concept and places a strong focus on the long-term development of ElringKlinger, while at the same time incentivising annual operational targets.

The following ranges apply to determination of the total target remuneration:



Within the fixed remuneration components, the fixed annual salary accounts for a share of approximately 37% - 43% of the total target remuneration. The proportion of pension remuneration in the total target remuneration is approximately 8% - 12%, whereby the amount of the pension allowance is a maximum of 25% of the fixed annual salary. The ancillary benefits are naturally subject to annual fluctuations and generally amount to 0% to 2% of the target total remuneration. Any special payments to compensate for loss of salary from a previous employment relationship or to cover the costs resulting from a relocation are not part of the ratios mentioned here.

#### 4.3. Maximum remuneration

The supervisory board has set a commensurate maximum upper limit for the amount of the fixed annual salary, ancillary benefits, a pension allowance as well as a short-term incentive and a long-term incentive for every management board member as per Section 87a para. 1 sentence 2 no. 1 AktG. For the chairperson of the management board, this amounts to EUR 3.2 million, and for ordinary members of the management board, EUR 2.0 million. The upper limit refers to the sum of all the payments that result from the remuneration regulations for a financial year, regardless of the payment date.

## **5. Detailed presentation of the remuneration system**

### **5.1. Fixed remuneration components**

The fixed remuneration components consist of the fixed annual salary, the ancillary benefits and the pension allowance.

#### **a. Fixed annual salary**

The fixed annual salary is cash remuneration drawn for the respective financial year, oriented to the area of responsibility of the individual management board member, and payable in 12 monthly instalments.

#### **b. Ancillary benefits**

The members of the management board receive taxable benefits in kind (ancillary benefits), which substantially consist of the provision of company cars, mobile phones and other means of communication, as well as insurance benefits.

Above and beyond this, the supervisory board has the right to grant to newly accepted members of the management board special payments to compensate for salary losses from a previous employment relationship, or to cover costs arising due to relocation.

#### **c. Pension allowance**

The pension allowance for private pension provision is a fixed amount paid out on an annual basis to the management board members. It amounts to a maximum of 25% of the respective fixed annual salary of a management board member.

### **5.2. Variable remuneration components**

The variable remuneration components are directed both at the short-term and at the long-term development of ElringKlinger. Thus, both the implementation of operational goals and strategic corporate goals is advanced through the variable remuneration components. As part of the strategic corporate goals, in addition to financial goals, ESG (Environmental, Social, Governance) goals are also taken into account, which are derived from the sustainability strategy and are aimed at promoting the long-term and sustainable development of the company. The variable components of remuneration create important incentives for the Management Board to act in line with the corporate strategy and in the interests of shareholders, customers and employees, as well as other important stakeholders. A clear “pay for performance” concept is thereby pursued in order to ensure that performance above a specified aspirational target level is rewarded appropriately, while the variable remuneration components can be reduced to zero in the case of clear failures to meet targets.

#### **5.2.1 Short-term incentive (STI)**

##### **a. Overview of the short-term incentive**

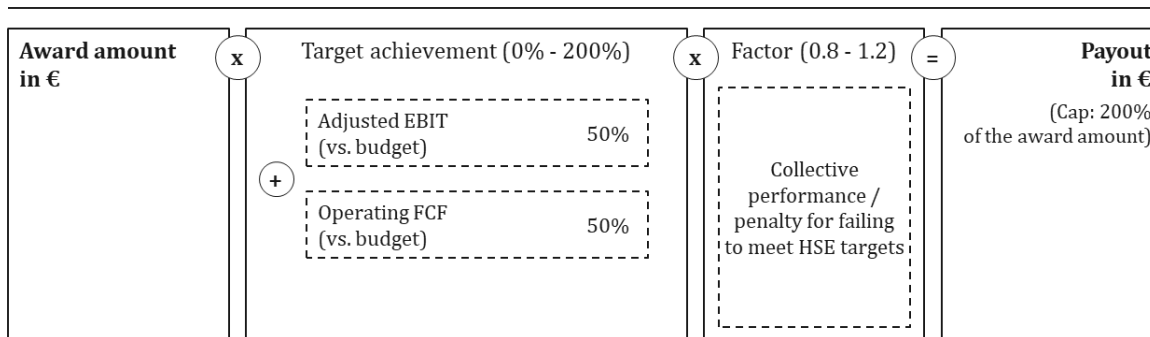
In order to incentivise the operational implementation of the corporate strategy, members of the management board receive a short-term incentive based on the performance of the relevant financial year.

The short-term incentive is measured based on the achievement of two additionally-linked financial performance criteria with a weighting of 50% each. The supervisory board also has the option of taking into

account the collective performance of the management board and HSE goals (HSE = Health, Safety and Environment).

The basis of a possible payout from the short-term incentive is the contractually agreed award amount, which is paid out if a target is 100% achieved. The payout amount from the short-term incentive is derived by multiplying the award amount by the determined target achievement of the financial performance criteria, which can amount to between 0% and 200%, as well as the established modifier with a range of 0.8 to 1.2. The total payout amount of the short-term incentive is limited to 200% of the award amount. It is paid in cash within one month of approval of the company's consolidated financial statement for the financial year related to the short-term incentive.

#### Short-term incentive (STI)



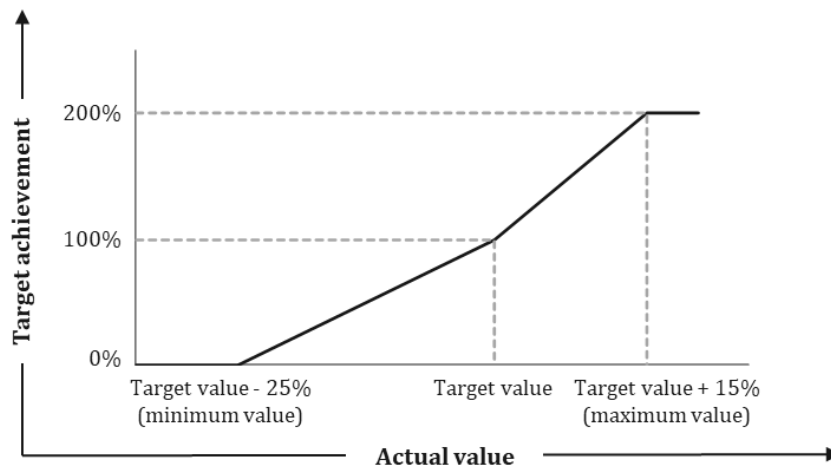
#### b. Financial performance criteria for the short-term incentive

The decisive financial performance criteria for the short-term incentive are the adjusted operating result of the ElringKlinger Group (“adjusted EBIT”), as well as the operating free cash flow (operating FCF), each according to the consolidated financial statement. The two financial performance criteria, adjusted EBIT and operational FCF, are weighted at 50% each under the short-term incentive, and are among the most significant financial management ratios of the company.

Adjusted EBIT is a key indicator of the operational profitability of the ElringKlinger Group, and as such is also represented under the short-term incentive. The operating FCF is a key control parameter for depicting the internal financing potential and the liquidity flows from the operating business.

Both for the adjusted EBIT and for the operating FCF, target achievement is determined based on a comparison of actual vs. target. To this end, the supervisory board sets a target value based on the budget at the beginning of the financial year. After the end of the financial year, the actual value for the respective financial year is compared to the corresponding target value. If the actual value corresponds to the specified target value, the target achievement is 100%. If the actual value is 15% above the target value (maximum value), target achievement is 200%. If the actual value is 25% below the target value (minimum value), the target achievement is 0%. Target achievements between the specified target achievement points (0%; 100%; 200%) are linearly interpolated. Once the maximum value is reached, further increases in the respective performance criterion will not lead to any increase in the achievement of the target. If the minimum value is not met, the target achievement amounts to 0%. Target achievement is rounded to two decimal places.

### Goal achievement curve - adjusted EBIT and operating FCF



The supervisory board is entitled, with effect from the beginning of a new financial year, to set a different target achievement curve in agreement with the management board member in order to ensure an ambitious but achievable incentive.

The target, minimum and maximum values of individual performance criteria as well as the actual values achieved and the resulting target achievements are disclosed in the remuneration report.

#### c. Modifier

The modifier with a possible range of 0.8 to 1.2 allows the supervisory board to take into account the collective performance of the management board in addition to the financial performance criteria. In order to assess the collective performance of the management board, criteria of a financial as well as non-financial nature can be defined by the supervisory board before the start of the financial year and may include, for example, important strategic goals, significant cross-departmental projects, relevant financial goals or the realisation of key projects. In addition, the supervisory board may use the modifier as a penalty in the event of significant incidents in the area of HSE (HSE = Health, Safety, Environment). The determination of the modifier is at the discretion of the supervisory board. The application of the modifier is explained in the remuneration report.

### 5.2.2 Long-term incentive

#### a. Overview of the long-term incentive

In order to promote the implementation of corporate strategy and the sustainable and long-term development of ElringKlinger, the management board members are granted, in addition to the short-term incentive, a share-based long-term incentive in the form of a performance share plan with a plan period of four years in all. The plan period consists of a three-year performance period and a subsequent one-year holding period.

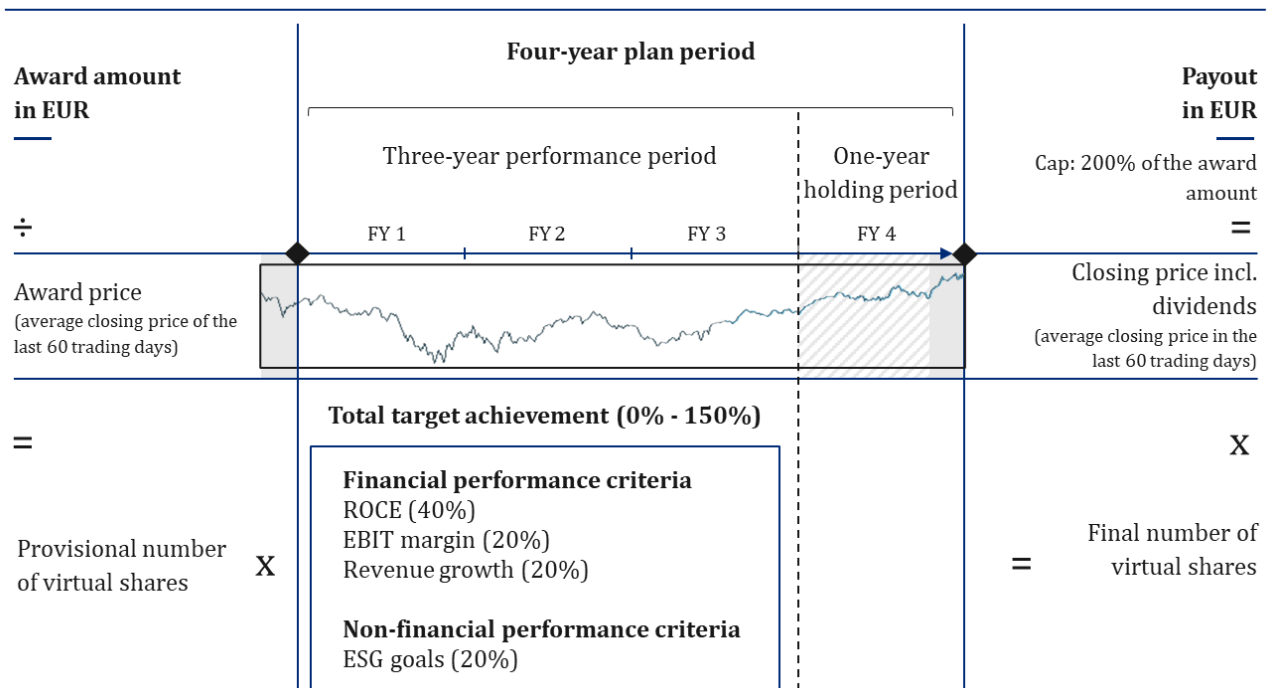
As part of the performance share plan, each member of the management board will be provisionally awarded the contractually agreed award amount in annual tranches in the form of virtual shares. For this purpose, the award amount is divided by the award price - the average closing price of ElringKlinger shares during the last 60 trading days before the start of the plan period - to determine the provisional number of virtual shares.

The provisional number of virtual shares may change both upwards and downwards during the three-year performance period depending on defined performance criteria. The performance criteria used are Return on

Capital Employed (ROCE) with a weighting of 40%, as well as the EBIT margin, revenue growth and ESG targets with a weighting of 20% each. The overall target achievement results from the weighted average of the target achievements of individual performance criteria and can be at most 150%. To determine the payment amount, the final number of virtual shares resulting at the end of the period depending on the total target achievement is multiplied by the final price - the average price of ElringKlinger shares during the last 60 trading days before the end of the holding period - plus the dividends paid for a share of ElringKlinger AG during the plan period.

The payout amount is limited to a total of 200% of the contractually agreed award amount and is generally paid in cash within one month after approval of the company's consolidated financial statement for the last financial year of the plan period.

### Long-term incentive (LTI)



The supervisory board reserves the right to settle the long-term incentive in whole or in part in ElringKlinger AG shares.

### b. Financial performance criteria for long-term incentives

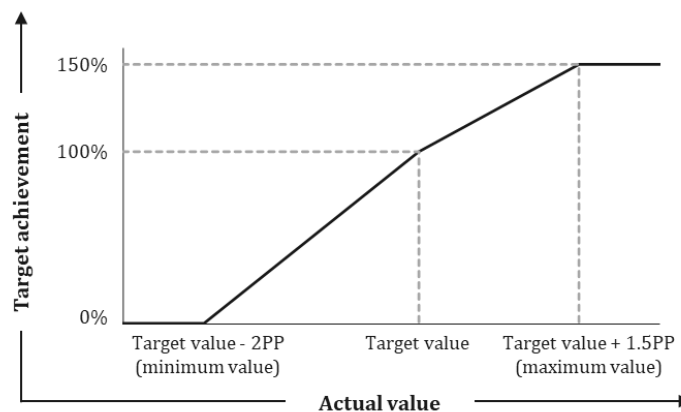
The key financial performance criteria are ROCE with a weighting of 40% and the performance criteria, EBIT margin and revenue growth, each with a weighting of 20%. All three financial performance criteria are key control parameters of ElringKlinger AG and thus provide important incentives to implement the company strategy and to develop the company over the long term. For the financial performance criteria, the actual value is used in each case pursuant to the consolidated financial statement (as reported):

- The ROCE measures the ratio between profit and capital used and, as a performance criterion, promotes the efficiency of capital use and the profitability of ElringKlinger. The average ROCE in the performance period is decisive.

- The EBIT margin measures the ratio between the operating result and revenue and, as a performance criterion, incentivises the efficiency of operating activities and the profitability of ElringKlinger. The average EBIT margin in the performance period is decisive.
- Revenue growth measures the percentage change in revenue over the performance period and creates an incentive for ElringKlinger's emphasis on growth as a performance criterion. The average annual growth rate of consolidated revenue (revenue CAGR [compound annual growth rate]) over the three financial years of the performance period is decisive.

The achievement of targets for individual performance criteria is determined by comparing actual performance against the target. To this end, the supervisory board shall set a target value for each performance criterion no later than the start of the award year for a tranche, based on an ambitious medium-term plan. At the end of the performance period, the determined actual value is compared to the defined target value. If the actual value corresponds to the specified target value, the target achievement is 100%. If the actual value is 1.5 percentage points above the target value (maximum value), target achievement is 150%. If the actual value is two percentage points below the target value (minimum value), target achievement is 0%. Target achievements between the established target achievement points (0%; 100%; 150%) are linearly interpolated. Once the maximum value is reached, further increases in the respective performance criterion will not lead to any increase in the achievement of the target. If the minimum value is not met, the target achievement amounts to 0%. Target achievement is rounded to two decimal places.

**Target achievement curve - ROCE, EBIT margin and revenue growth**



The supervisory board is entitled to define a different target achievement curve at the start of new LTI tranches in order to ensure the incentive effect with an ambitious but achievable objective.

The target, minimum and maximum values of individual performance criteria as well as the actual values achieved and the resulting target achievements are disclosed in the remuneration report.

### **c. Non-financial performance criteria for the long-term incentive**

In addition to the financial performance criteria, ESG goals with a weighting of 20% represent the non-financial performance criteria of the long-term incentive. Taking into account the list of criteria derived from the materiality analysis set out below, the supervisory board determines the specific ESG goals and their

respective weighting each year before the start of the respective tranche. The supervisory board ensures that the specific ESG goals are measurable, comprehensible and strategically relevant.

**List of criteria for selecting ESG goals**

Reduction of GHG emissions	Sustainable product transformation
Employee-related objectives	Recycling, waste recycling and water consumption

At the latest at the beginning of a tranche, the supervisory board defines the targets for the specified ESG goals by setting a value for 100% target achievement (target value) as well as a minimum value (0% target achievement) and a maximum value (150% target achievement). Target achievements between the established target achievement points (0%; 100%; 150%) are linearly interpolated. Once the maximum value is reached, further increases in the respective performance criterion will not lead to any increase in the achievement of the target in any case. If the minimum value is not met, the target achievement in each case amounts to 0%. Target achievement is rounded to two decimal places. The supervisory board may also define a target achievement curve that deviates from the above values if an ESG goal set for the respective tranche can be more meaningfully represented by a different target achievement curve.

The specific sustainability goals are published ex-ante in the remuneration report of the first financial year in the plan period, unless this is unfair to ElringKlinger's competitive position. In any case, the sustainability goals pursued as well as the corresponding target, minimum and maximum values, plus the actual values achieved and the resulting target achievements, are disclosed ex-post after expiry of the plan period in the remuneration report.

For the 2026 and 2027 LTI tranches, “CO2 reduction” and “share of revenue from non-ICE products” are set as ESG goals, each with a weighting of 10%.

**5.2.3 Extraordinary developments**

In the event of extraordinary events or developments, the supervisory board reserves the right, in accordance with Recommendation G.11, sentence 1 of the German Corporate Governance Code, to adjust the target achievement of the short-term incentive or the long-term incentive appropriately. Extraordinary events or developments may include, for example, the acquisition or disposal of a company or parts of a company or of investments in companies, a merger with another company, changes in the legal and/or regulatory framework, or significant changes in accounting and valuation methods. Generally unfavourable market developments are expressly not covered by such exceptional cases. In the event of such an adjustment, the remuneration report for the following year will report on this in detail, and the decision of the supervisory board will be explained.

**5.3. Share ownership guideline**

To further align the interests of the management board and shareholders, as well as to strengthen the sustainable and long-term development of the company, the remuneration system envisages additional share-holding obligations, so-called share ownership guidelines. Accordingly, every management board

member is obligated to acquire within four years a fixed number of shares in ElringKlinger corresponding to the amount of 100% of their gross fixed annual salary, and to hold them until the end of their management board activity. Offsetting is based on the acquisition costs. In special cases, e.g. in the event of a change in the LTI and a resulting payout gap, the supervisory board can extend the build-up phase to up to six years. ElringKlinger shares that the management board member already holds will be offset towards fulfilment of the shareholding obligation.

#### **5.4. Penalty and clawback**

The employment contracts of the management board members include penalty and clawback regulations, which apply to the total variable remuneration, i.e. the short-term incentive and the long-term incentive.

If the management board member deliberately breaches a substantial duty of care in accordance with Section 93 AktG, a substantial contractual employment duty, or other substantial principles of conduct of the company, for example from the code of conduct or the compliance guidelines, the supervisory board can reduce partially or completely (to zero) the as yet unpaid variable remuneration components that have been awarded for the financial year in which the breach occurred (“compliance penalty”).

In addition, under the specified conditions, the supervisory board can demand the return in part or in full of the gross amount of the variable remuneration components which have already been paid out for the financial year in which the breach occurred, at its own discretion (compliance clawback). Clawback is excluded if the relevant breach occurred more than 7 years ago.

Furthermore, a member of the management board must pay back any already paid-out variable remuneration components if and to the extent that it becomes known after the payout that the calculation of the audited and approved consolidated financial statement taken as a basis for the payout of the amount was incorrect, and that, taking as a basis the corrected and audited consolidated financial statement, a lower or no payout was owed from the variable remuneration (“performance clawback”). A clawback under this paragraph is excluded if the relevant financial year goes back more than 5 years ago.

## **6. Remuneration-based legal transactions**

### **6.1. Appointment and dismissal**

The appointment and dismissal of members of the management board are based on Sections 84 and 85 AktG. The Articles of Association do not contain any provisions contrary to the statutory regulations for the appointment and dismissal of members of the management board. The management board employment contracts are concluded for the duration of the appointment. Generally speaking, in the case of a first appointment, this amounts to three years, and for a repeat appointment, five years.

In the event that the appointment as management board member is revoked pursuant to Section 84 para. 4 AktG, or in the event that the management board member legitimately resigns, the employment contract will terminate at the end of the proper notice period in accordance with Section 622 para. 1, 2 BGB (*Bürgerliches Gesetzbuch* [German Civil Code]), unless it is terminated at an earlier time for good cause. This does not apply in the event that an appointment is revoked with assurance of reappointment pursuant to Section 84 para. 3 AktG.

## **6.2. Entry and exit during the year**

In the case of entry or exit during an ongoing financial year, the total remuneration including the award amount of the short-term incentive and the award amount of the long-term incentive is reduced pro rata temporis in accordance with the duration of the employment relationship in the relevant financial year (award year). The award amount shall generally be reduced for periods in which the management board member is not entitled to remuneration under existing employment relationships in the award year (e.g. in the event of a break in office pursuant to Section 84 para. 3 AktG). Remuneration is also paid out in the event of a reduction in the award amount due to leaving during the year at the usual time, unless otherwise stipulated below.

In the event of a new appointment of a management board member in the second half of a financial year, the supervisory board may set the target achievement of the pro rata short-term incentive to 100% as a one-off in order to take into account the limited influence of the management board member on the short-term development of the company.

In deviation from this, if the employment relationship ends prematurely for the reasons explained below, the following rules apply to variable remuneration:

### **a. Short-term incentive**

If the employment contract is terminated by the company due to extraordinary termination for good cause in accordance with Section 626 para. (1) BGB or via the resignation of the office by the management board member without good cause, and without mutual agreement in the course of the financial year, or if the appointment is revoked by the supervisory board for good cause in accordance with Section 84 para. (4) AktG in the course of the financial year (except where due to a vote of no confidence by the General Meeting), then the claim to the short-term incentive shall lapse without replacement or remuneration.

### **b. Long-term incentive**

If the employment contract is terminated by the company due to extraordinary termination for good cause in accordance with Section 626 para. (1) BGB, or via the resignation of the office by the management board member without good cause and without mutual agreement before the end of the relevant plan period, or if the appointment is revoked by the supervisory board for good cause pursuant to Section 84 para. (4) AktG before the end of the relevant plan period (except in cases of a loss of confidence by the General Meeting), all performance shares whose plan period has not yet ended shall lapse without remuneration or indemnification.

If the employment relationship ends due to permanent incapacity to work, all tranches of the long-term incentive whose plan period has not yet ended shall be paid out immediately. The payout amount corresponds to the sum of the award amounts agreed in the service contract for all outstanding tranches of the long-term incentive. The award amount for the award year in which the employment relationship ends due to permanent incapacity for work is reduced pro rata temporis.

If the employment relationship ends due to the death of the beneficiary, the surviving dependants will be entitled to the long-term incentive for a further six months from the month following the month of death. After the end of this continued payment period, all tranches of the long-term incentive whose plan period has not yet ended will be paid out without delay. The payout amount corresponds to the sum of the award amounts

agreed in the service contract for all outstanding tranches of the long-term incentive. The award amount for the award year in which the continued payment period ends is reduced pro rata temporis.

### **6.3. Severance pay and cap on severance pay**

In the case of the premature termination of the employment contract without good cause, any payments to the management board member, which may possibly have to be agreed, including ancillary benefits, are limited to the value of two years of remuneration (severance cap), but at the most to the value of the remuneration for the remaining time of this employment contract. For the calculation of the severance cap, the focus should be on the total remuneration for the ended financial year and, if need be, also the anticipated total remuneration for the current financial year.

### **6.4. Continuation of payments in the event of illness or death**

In the case of illness, the members of the management board have an entitlement to the continuation of their monthly fixed annual salary for a period of up to nine months, provided they remain in office. STI and LTI will not be reduced if and as long as the fixed salary continues to be paid. There is no entitlement to continued payment of remuneration for the period in which the employment contract is suspended in the event of revocation of the appointment with assurance of reappointment pursuant to Section 84 para. 3 AktG. If the management board member dies, his or her surviving relatives will receive full remuneration inclusive of entitlements to the short-term incentive and long-term incentive pro rata temporis for six months.

### **6.5. Ancillary activities**

The management board members are obligated to dedicate their full working capacity exclusively to the company. They may not undertake either paid or unpaid ancillary activities without the prior written consent of the Personnel Committee of the supervisory board of the company. This includes taking on supervisory board mandates. The same applies in the context of what is legally admissible also for the assumption of honorary positions. The management board members, at the request of the company, shall also take on tasks in affiliated companies. The management boards shall generally not receive any further remuneration for this. To the extent permitted by law, the management board member shall waive remuneration in the offices and mandates indicated above. If such a waiver is not possible, this remuneration will be counted toward the remuneration owed to the management board member under this employment contract.

## **7. Temporary deviations from the remuneration system**

Under special and extraordinary circumstances, the supervisory board may, in accordance with Section 87a para. 2 sentence 2 AktG, temporarily deviate from the remuneration system, if this is necessary in the interests of the long-term welfare of the company. Such deviations can be required to ensure adequate setting of incentives in the case of a serious corporate crisis or a serious economic crisis, for example. Unfavourable market developments on the contrary do not count as special and extraordinary circumstances justifying deviation from the remuneration system. Extraordinary circumstances forming the basis of and requiring deviation must be established by a resolution of the supervisory board. The components of the remuneration system that may have deviations are the procedure, the regulations and extent of the remuneration structure, the regulations for the financial and non-financial performance criteria, in particular in regard to the configuration of the curve for achieving targets, while guaranteeing a further reasonable ambitious setting of targets, as well as the regulations regarding individual remuneration components. In the case of deviation from the remuneration system, it is also guaranteed that the remuneration and its structure

continue to be aligned with the long-term and sustainable development of the company, and stand in reasonable relation to the success of the company and the performance of the management board.