

Remuneration System for the Members of the Management Board of RENK Group AG

A. Basic features of the remuneration system

The remuneration system is geared to RENK Group AG’s sustainable and long-term development and significantly contributes to promoting its corporate strategy. In particular, the remuneration aims to gear the Management Board members’ remuneration to the Company’s long-term development and success and to comply with the statutory requirements for management board remuneration in listed companies pursuant to sections 87 and 87a of the German Stock Corporation Act (*Aktiengesetz – AktG*) and the recommendations of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex – DCGK*) as amended on 28 April 2022 (DCGK). The structure of the remuneration system, in particular the long-term variable (performance-related) remuneration components with a multi-year assessment basis, incentivises the members of the Management Board to pursue and achieve the targets defined in the strategy and thus to ensure a sustainable and long-term increase in the Company’s value. The remuneration system is also designed to harmonise the interests of all stakeholders, including the Company’s shareholders and employees, with the Management Board members’ interests.

Above all, however, the remuneration system is intended to incentivise sustainable corporate governance and value enhancement. Both positive and negative developments are taken into account by means of multi-year assessment bases, adjustment rules for extraordinary events and remuneration reductions. The following guidelines were taken into account by RENK Group AG’s Supervisory Board (*Aufsichtsrat*) when preparing the remuneration system:

Figure 1: Remuneration guidelines

Guidelines for the Management Board members’ remuneration
The remuneration system as a whole significantly contributes to promoting the business strategy.
The remuneration system and the key performance indicators underlying the variable remuneration promote the Company’s sustainable and long-term development.
The remuneration system is designed to harmonise the interests of shareholders, clients, employees and other stakeholders.
The Management Board members’ performance is appropriately taken into account using clearly defined and ambitious key performance indicators within the variable remuneration components (“pay for performance”).
In the long-term variable remuneration scheme, the Management Board’s performance is assessed, for example, in comparison with relevant peer groups. This additional relative performance assessment therefore creates outperformance incentives.
The Supervisory Board will ensure that the Management Board’s remuneration system creates ambitious incentives, also taking into account the senior management’s remuneration system.
Leading market practice is taken into account when structuring the remuneration system.

B. Procedure for establishing, implementing and reviewing the remuneration system

In accordance with the provisions under German stock corporation law set out in section 87a para. 1 of the German Stock Corporation Act, the Supervisory Board of a listed stock corporation adopts a clear and comprehensible remuneration system for the Management Board. The Supervisory Board develops the remuneration system taking into account the German Stock Corporation Act, the principles, recommendations and suggestions of the DCGK and the guidelines outlined above. The Management Board remuneration system is presented to the General Meeting for approval. The Supervisory Board is supported in this respect by the nomination and remuneration committee (*Personalausschuss*).

The Supervisory Board is authorised to resolve any necessary adjustments to the remuneration system. If necessary, it may also involve external remuneration experts when developing the remuneration system and to assess the remuneration's appropriateness. When appointing these experts, care will be taken to ensure their independence from the Management Board and the Company. The general provisions of the German Stock Corporation Act and the recommendations of the DCGK for dealing with conflicts of interest will be observed in the procedure for establishing and implementing the remuneration system.

Pursuant to section 120a para. 1 of the German Stock Corporation Act, the General Meeting of a listed stock corporation has to pass a resolution on the approval of the remuneration system for the Management Board members presented by the Supervisory Board whenever there is a material change to the remuneration system, but at least every four years. A resolution confirming the remuneration system will be permissible. If the General Meeting does not approve the remuneration system put to the vote, a revised remuneration system will be submitted for resolution no later than at the following Annual General Meeting in accordance with section 120a para. 3 of the German Stock Corporation Act.

The Supervisory Board is responsible for reviewing, establishing and implementing the remuneration system. The recommendations of the DCGK and the rules of procedure (*Geschäftsordnung*) of the Supervisory Board and the nomination and remuneration committee will be followed in this context in order to avoid conflicts of interest. If conflicts of interest arise, the Supervisory Board will be notified and the General Meeting will be informed accordingly. In the event of a conflict of interest, the Supervisory Board member will not participate in the relevant discussions and votes in the Supervisory Board or in the nomination and remuneration committee.

As a general rule, the remuneration system will be explicitly implemented in the relevant Management Board member service agreement to be concluded between RENK Group AG and the member of the Management Board and – on the basis of the Management Board member service agreement – as part of determining the key performance indicators for variable remuneration components and of determining whether the relevant target has been achieved.

Pursuant to section 87 of the German Stock Corporation Act and sections G.3. and G.4. of the DCGK, the Supervisory Board will regularly review the appropriateness of the target total remuneration and the individual remuneration schemes, in particular with regard to market standards. Horizontal comparison and vertical comparison will be carried out for this purpose.

In the (external) horizontal comparison, the target total remuneration in terms of amount and structure of the Management Board members will be compared with the Management Board remuneration of RENK Group AG's relevant peer companies (e.g. companies in a specific index or an individual peer group). When identifying peer companies, the Supervisory Board will take into particular account the company's industry, size, country and economic situation and the individual Management Board members' duties and performance.

In the (internal) vertical comparison, the Supervisory Board will assess whether the level of the Management Board members' remuneration is customary within the Company. In doing so, the Supervisory Board will compare the Management Board members' target total remuneration with the remuneration paid to the senior management and with the average remuneration of employees employed by RENK Group AG in Germany and will also take this into account in the development over time.

If there are significant deviations between the Management Board remuneration and the peer groups, the Supervisory Board will examine the causes. If there are no objective reasons, the Supervisory Board will consider whether to adjust the Management Board remuneration.

C. Determination of the specific target total remuneration

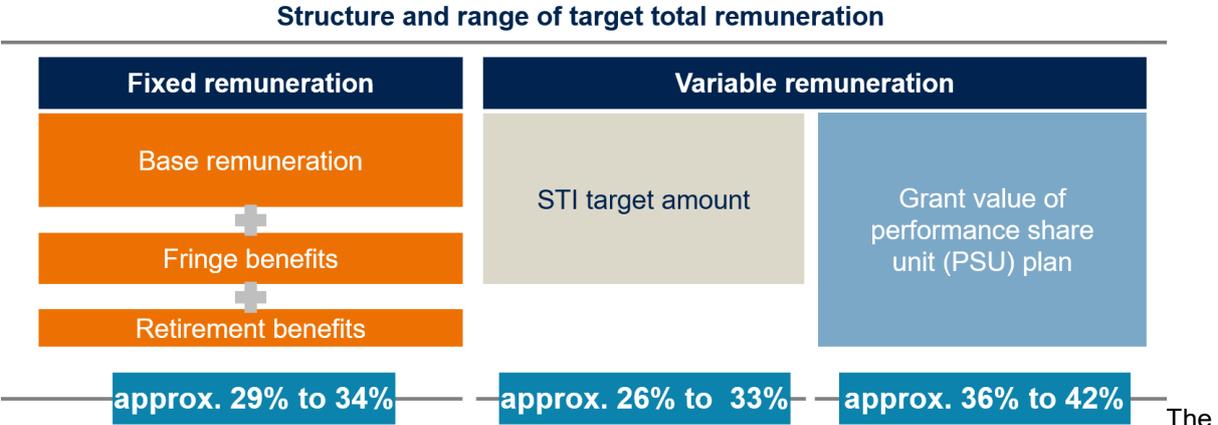
In line with the remuneration system, the Supervisory Board will determine the amount of the target total remuneration and the key performance indicators for all variable remuneration components to be allocated for the upcoming financial year for each member of the Management Board. When structuring the remuneration system and the target total remuneration and when determining the remuneration amounts, the Supervisory Board will take into account the duties and performance of the Management Board members as well as the Company’s situation and strategy and the customary level of remuneration and will determine the extent to which individual targets of the individual Management Board members or joint targets for all Management Board members are decisive. The target values or comparative parameters will not be changed retrospectively. The total target remuneration will consist of the sum of all remuneration components, with the short-term variable remuneration (“Short-Term Incentive” or “STI”) and the long-term variable remuneration (“Long-Term Incentive” or “LTI”) each being based on the STI target amount and the LTI grant value, respectively, for 100% target achievement.

When determining the variable remuneration component, the Supervisory Board will ensure that the amount of the LTI grant value is always higher than the STI target amount.

D. Remuneration components and their relative shares in target total remuneration

As a general rule, the remuneration paid by the Company to the Management Board members will consist of a fixed base remuneration plus fringe benefits and retirement benefits (jointly the fixed remuneration) and variable remuneration schemes, consisting of an STI in the form of a target bonus and an LTI in the form of a virtual performance share unit (PSU) plan (jointly the variable remuneration).

Figure 2: Structure and range of target total remuneration



The target total remuneration for the Management Board members, based on 100% target achievement for the variable remuneration, will consist of approx. 29% to 34% fixed remuneration schemes, which in turn will consist of approx. 19% to 26% base remuneration, approx. 1% fringe benefits and approx. 7% to 11% retirement benefits. The variable remuneration schemes will amount to approx. 66% to 71%, of which approx. 26% to 33% will be attributable to the STI and approx. 36% to 42 % will be attributable to the LTI.

E. Total remuneration cap

In addition to the payment caps for the individual variable remuneration schemes, a maximum remuneration in accordance with section 87a para. 1 no. 1 of the German Stock Corporation Act of €6m gross will be set for the chairman or chairwoman of the Management Board and of €4m gross for the

other Management Board members. The maximum remuneration will cap the total remuneration (base remuneration, STI, LTI, fringe benefits and retirement benefits) paid to the Management Board members for a financial year, irrespective of the actual payment date. If the remuneration exceeds this maximum amount, the relevant amount of the LTI will be limited so as not to exceed the maximum amount and the amount of the LTI exceeding such maximum amount will be forfeited without replacement.

F. Details of the remuneration components

Figure 3: Overview of the remuneration components

		Remuneration component	Description	
Fixed remuneration		Base remuneration	- base remuneration paid in twelve equal monthly instalments	
		Fringe benefits	- company car, contributions to health and nursing insurance, appropriate reimbursement of travelling expenses, D&O insurance with deductible, among others	
		Retirement benefits	- Defined Contribution retirement benefit plan usually in the amount of 7% to 11% of target total remuneration	
Variable remuneration	STI	Target bonus	Key performance indicators	Usually, up to three key performance indicators are selected, such as: <ul style="list-style-type: none"> - profit-related targets (e.g. adjusted EBIT(DA)) - sales-related targets (e.g. sales) - other financial targets (e.g. net debt) - sustainability targets or other non-financial targets
			Target achievement	0% to 200%
			Cap	200% of target amount
			Performance period	4 years
	LTI	Performance share unit (PSU) plan	Key performance indicators	2024 tranche <ul style="list-style-type: none"> - profit-related targets (e.g. adjusted EPS) - strategic targets (e.g. incoming orders) - sustainability targets from 2025+ tranche, e.g.: <ul style="list-style-type: none"> - relative total shareholder return (rTSR) - capital-efficiency-related targets (e.g. ROCE) - strategic targets (e.g. incoming orders) - sustainability targets
			Target achievement	0% to 200%
			Cap	250% of grant value
Additional components		Maximum remuneration	- chairman or chairwoman of the Management Board: €6m (gross) - full Management Board member: €4m (gross)	
		Malus/clawback	possibility of reducing, deferring or clawing back the variable remuneration	
		Share ownership guideline	- obligation to invest in shares within a period of 4 years - holding requirement: investment in shares in the amount of 2× base remuneration (chairman or chairwoman of the Management Board) 1× base remuneration (full Management Board members) - mandatory holding period: end of service period	
		Benefits in the event of early termination	maximum severance in the amount of remuneration for one year	

1. Annual base remuneration

The members of the Management Board will receive a fixed annual base remuneration in cash, which will be paid in equal monthly instalments (e.g. twelve equal monthly instalments).

The amount of the annual base remuneration will take into account the Management Board member’s specific role, duties and responsibility.

2. Fringe benefits

The members of the Management Board will be guaranteed fringe benefits in line with standard market practice. These will include a company car, contributions to health and nursing insurance (*Kranken- und Pflegeversicherung*) and appropriate reimbursement of travelling expenses. If the benefits constitute remuneration subject to tax (*steuerpflichtig*), the taxes will have to be borne by the Management Board member. In addition, D&O insurance with a deductible (*Selbstbehalt*) in accordance with section 93 para. 2 of the German Stock Corporation Act will be taken out for the Management Board members, with the costs of the insurance premiums being borne by the Company.

In addition, new Management Board members may be granted special payments in special situations, for example to compensate for lost payments from their previous service relationships.

3. Retirement benefits

The members of the Management Board will be entitled to a "Defined Contribution" retirement benefit plan from the Company. For Management Board members, this will usually be approx. 7% to 11% of the target total remuneration.

4. Variable remuneration

In addition to the annual base remuneration, the Management Board members will receive variable remuneration (STI and LTI) geared towards the Company's sustainable development and corresponding to the Company's management logic. Both the STI and the LTI will therefore be based on key performance indicators reflecting the corporate strategy and thus serving as an effective incentivisation tool. In the future, the LTI is to be linked to the development of the Company's share price, among other things, and thus promote the shareholders' interests. The weight of the LTI will be higher than the weight of the STI in the target total remuneration in this context. The key performance indicators of the STI and the LTI will differ in order to avoid double incentivisation.

a) Short-Term Incentive (STI)

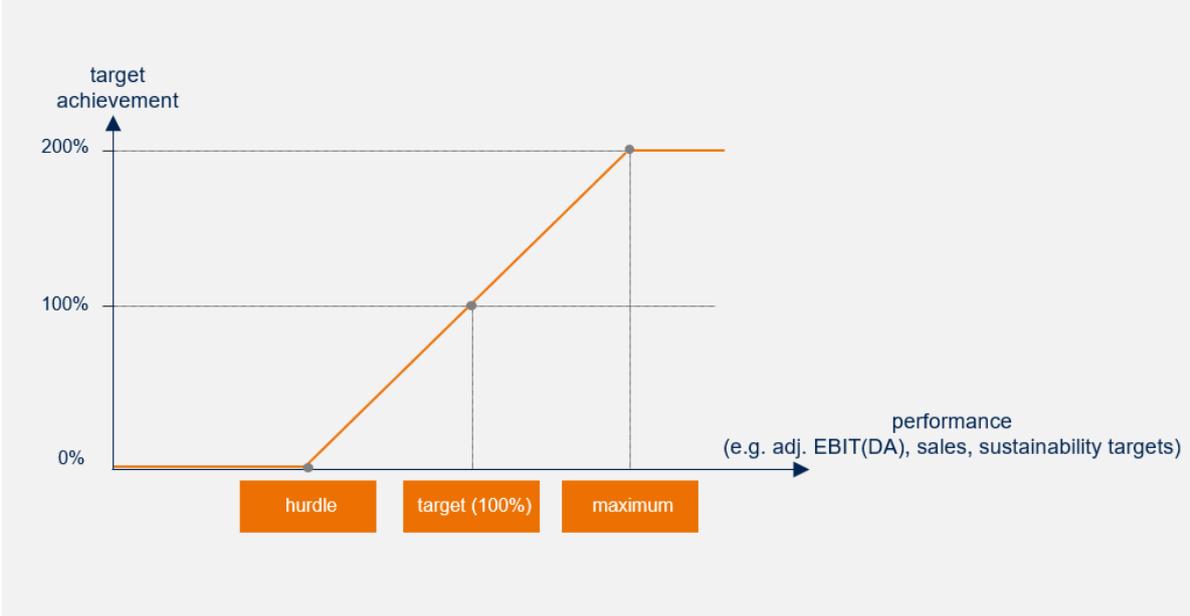
The STI is designed as a target bonus with a one-year performance period and will be allocated annually. Payment of the STI will be based on target achievement of key performance indicators defined before or upon commencement of the performance period and their weighting, which will be determined by the Supervisory Board for each Management Board member. For this purpose, the Supervisory Board will usually determine and weight up to three additively linked key performance indicators. Profit-related, sales-related and/or other financial targets may be used as financial key performance indicators. Furthermore, non-financial targets (e.g. sustainability targets) may be used.

Figure 1: STI overview



Target achievement will be determined between 0% and 200%, with linear interpolation between the anchor points, i.e. between the hurdle and the target and between the target and the maximum. Target achievement of a key performance indicator below the hurdle will result in 0% of the target amount being paid out. At the maximum level of target achievement for a key performance indicator, 200% of the target amount will be paid.

Figure 2: STI target achievement



The financial key performance indicators selected for the STI will reflect RENK Group AG's current management system.

A profit-related indicator (e.g. adjusted EBIT(DA)) will serve as an indicator of the Company's operating performance by measuring profitability at operating level and thus creating the basis for suitable incentive structures. The profit-related indicator may be adjusted for potential special effects such as M&A activities, severance payments and other effects that are not indicative of the performance of operating activities.

A sales-related indicator (e.g. sales) will act as a central key performance indicator for assessing the Company's financial success and strategy. Constant sales growth will be considered an indicator of long-term value creation.

In addition, other financial indicators may be used. For example, net debt which is considered in relation to adjusted EBIT(DA) could be used to assess the Company's financial stability. The non-financial key performance indicators will include quantifiable sustainability targets. The sustainability targets selected by the Supervisory Board will contribute to sustainable business strategy and development.

The focus on financial and non-financial key performance indicators geared towards the Company's commercial success will ensure that the strategy and long-term development are promoted. Payment in cash will be made after the relevant audited and certified annual financial statements have been approved (*Feststellung des geprüften und testierten Jahresabschlusses*).

If an appointment to the Management Board is revoked pursuant to section 84 para. 3 of the German Stock Corporation Act and there is good cause (*wichtiger Grund*) within the meaning of section 626 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*), the service agreement will also end at the time the revocation of the appointment takes effect (bad leaver). In this case, all claims arising under the STI will be forfeited.

If the service relationship is terminated early without good cause within the meaning of section 626 of the German Civil Code, there will be a claim for pro rata payment under the STI (good leaver). For this purpose, the number of months within the one-year performance period during which the plan participant was employed by RENK Group AG will be divided by the full number of months (12 months). If the Management Board member dies during the term of the service relationship, the relevant STI will be deemed to have vested with immediate effect and with 100% target achievement being assumed and will be paid out pro rata to the surviving dependants.

b) Long-Term Incentive (LTI)

In the future, the LTI is to be structured as a virtual performance share unit (PSU) plan and will be allocated in annual tranches, each having a four-year performance period. Before each tranche begins, the Supervisory Board will determine an LTI grant value in euros for each Management Board member.

The number of virtual shares provisionally allocated will be calculated by dividing the individual grant value by the Company's average share price in the Frankfurt Stock Exchange's Xetra trading system (or a corresponding successor system) on the thirty trading days (volume-weighted closing price in each case) prior to the commencement of each performance period, rounded to two decimal places. A different method will apply to the 2024 tranche. The number of allocated shares will be calculated by dividing the individual grant value by the Company's average share price in the Frankfurt Stock Exchange's Xetra trading system (or a corresponding successor system) on the last thirty trading days (volume-weighted closing price in each case) after the Company's IPO, rounded to two decimal places.

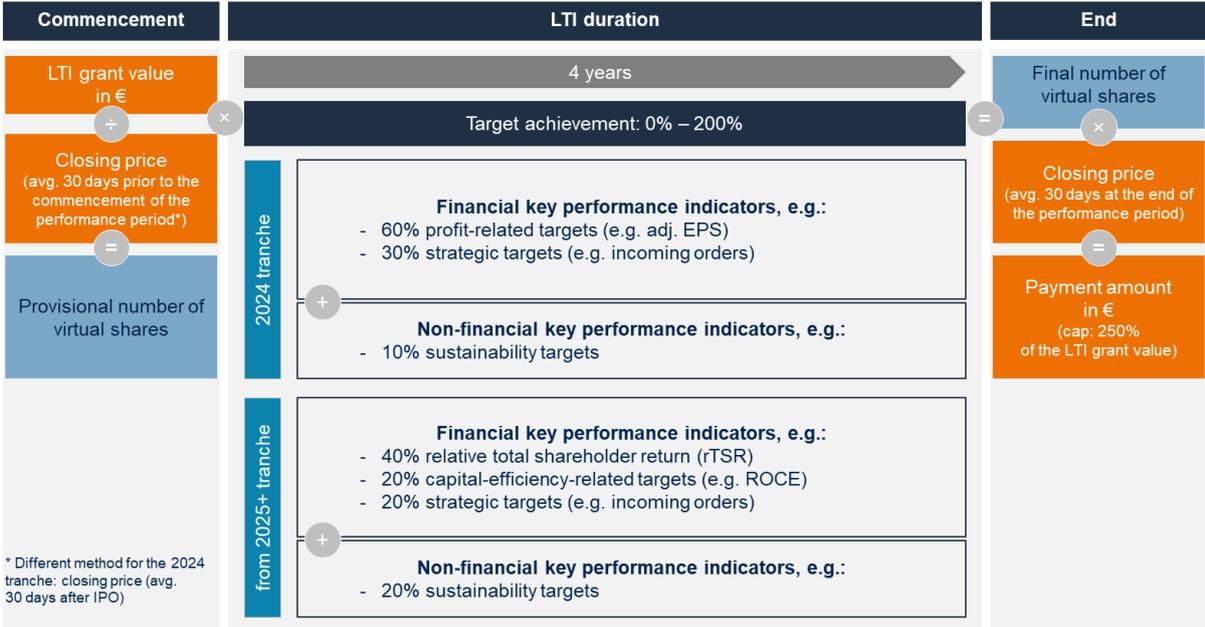
As a long-term variable remuneration scheme, the LTI is intended to create incentives for implementing the Company's strategic objectives and to ensure long-term, sustainable corporate development that is geared towards increasing value creation. The key performance indicators are consistent with the Company's strategy and management logic.

The Supervisory Board will determine the target values of the respective key performance indicators and their weighting prior to or at the commencement of each performance period. The key performance indicators are additively linked. They are composed, on the one hand, of financial targets that relate, for instance, to relative share performance ("relative total shareholder return" or "rTSR"), profit-related targets (e.g. "adjusted earnings per share" or "adj. EPS"), strategic targets (e.g. incoming orders) and/or capital-efficiency-related targets (e.g. "return on capital employed" or "ROCE"). On the other hand, at least one sustainability target will be defined for each tranche. The key performance indicators of the 2024 tranche will be different from those of subsequent tranches (2025+ tranches).

The 2024 tranche will be composed of the following key performance indicators, e.g.: 60% profit-related target (e.g. adj. EPS), 30% strategic target (e.g. incoming orders) and 10% sustainability targets. Two consecutive targets will be defined for the sustainability target. First, the sustainability milestone of achieving “Corporate Sustainability Reporting Directive (CSRD) Readiness & Compliance” will be targeted for 2024. In the remaining years of the performance period, the relevant factor will be the improvement of the Sustainability ESG (Environmental, Social and Governance) rating.

The 2025 tranche and subsequent tranches will potentially be composed of the following key performance indicators, e.g.: 40% rTSR, 20% capital-efficiency-related targets (e.g. ROCE), 20% strategic targets (e.g. incoming orders) and 20% sustainability targets. The sustainability targets may be composed of additional sub-targets.

Figure 3: LTI overview



A profit-related key performance indicator (e.g. adj. EPS) will be an essential indicator of the 2024 tranche. This indicator reflects the earnings per outstanding share adjusted for special effects and creates targeted incentives for increasing operating performance and promoting the long-term development of RENK Group AG. Potential special effects include e.g. M&A activities, severance payments and other effects that are not indicative of the performance of operating activities.

A strategic indicator (e.g. incoming orders) will reflect the business volume, growth potential and customer contracts and provide an indication of the Company’s future performance.

Starting with the 2025+ tranches, it is envisaged to be possible to introduce a relative performance measurement using the relative total shareholder return (plus any gross dividends reinvested during the four-year performance period). This will create an incentive for RENK Group AG to outperform an appropriate reference index or an individual peer group over the long term. This would serve to further align the interests of the shareholders and the Management Board. Relative outperformance would be measured in percentage points:

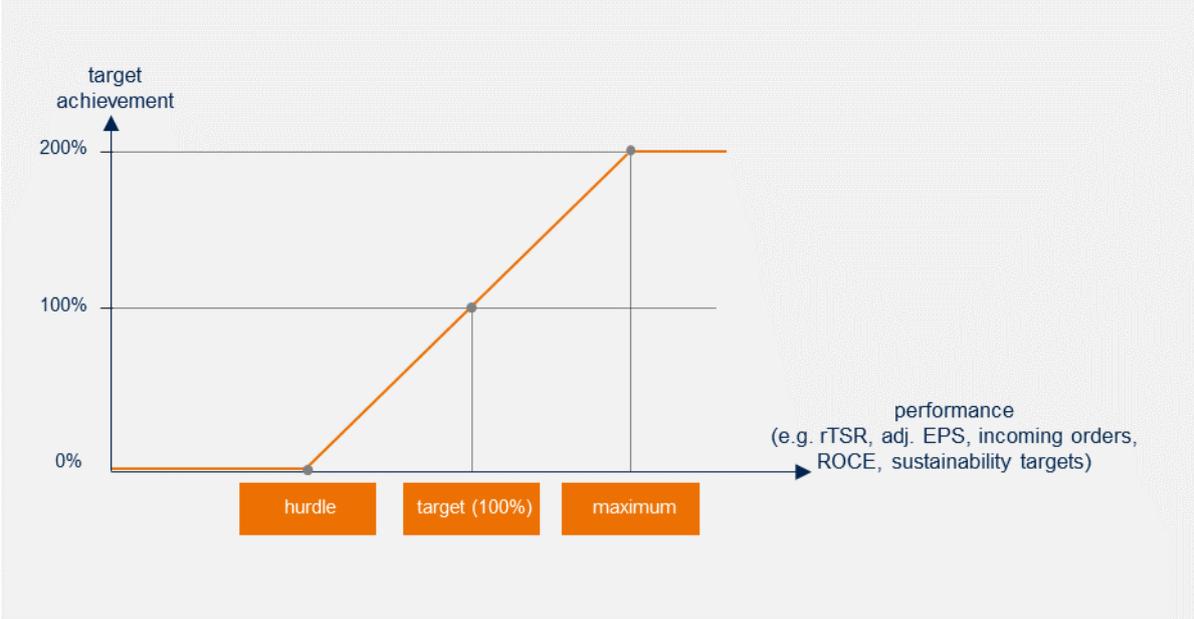
$$TSR \text{ (in \%)}_{\text{RENK Group AG}} - TSR \text{ (in \%)}_{\text{peer group}} = \text{Outperformance (in percentage points)}$$

A potential capital-efficiency-related indicator (e.g. ROCE) will measure return on capital employed. Its target will be to meet or exceed the returns expected by providers of debt and equity.

Sustainability targets, including milestones in connection with disclosures in the sustainability report (in line with the CSRD guidelines on non-financial reporting) and improving the ESG rating, will be integrated for the first time in the 2024 tranche. This is intended to promote the Company's sustainable development. Quantitatively measurable sustainability targets could be set for the 2025+ tranches. Such a future sustainability target could be further divided into various sub-targets, including environmental targets and social targets.

For each key performance indicator, target achievement will be determined between 0% and 200%, with linear interpolation between the anchor points, i.e. between the hurdle and the target and between the target and the maximum.

Figure 4: LTI target achievement



To determine the final number of virtual shares, the number of virtual shares allocated at the commencement of a tranche is multiplied by the target achievement and the corresponding weighting of the individual key performance indicators. To calculate the payment amount, the final number of the virtual shares is multiplied by the Company's average share price in the Frankfurt Stock Exchange's Xetra trading system (or a corresponding successor system) on the thirty trading days (volume-weighted closing price in each case) prior to the end of each performance period, rounded to two decimal places. The payment amount will be limited to 250% of the LTI's individual grant value (payment cap) and will be made in cash or shares at the Supervisory Board's discretion. The payment will be made after the relevant audited and certified annual financial statements have been approved.

If an appointment to the Management Board is revoked pursuant to section 84 para. 3 of the German Stock Corporation Act and if there is good cause within the meaning of section 626 of the German Civil Code, the service agreement will also end at the time the revocation of the appointment takes effect (bad leaver). In this case, all claims arising under the LTI will be forfeited.

If the service relationship is terminated early without good cause within the meaning of section 626 of the German Civil Code, there will be a claim for pro rata payment under the LTI (good leaver). For this purpose, the number of months within the four-year performance period during which the plan participant was employed by RENK Group AG will be divided by the full number of months (48 months). If the Management Board member dies during the term of the service relationship, all ongoing LTI tranches will be deemed to have vested with immediate effect and with 100% target achievement being assumed and will be paid out pro rata to the surviving dependants.

5. Deferral periods for the payment of the “pre-IPO incentive plan”

There is a deferral period of three years from 1 January 2024 to 31 December 2026 (mandatory holding period) for a variable remuneration scheme that was allocated once in the 2023 financial year and the payment amount of which was determined as at 31 December 2023. If a Management Board member leaves the Company during this mandatory holding period and is identified as a “good leaver”, pro rata payment will be made. In the case of a “bad leaver”, any payment claim will be forfeited.

6. Malus and clawback

The Company implemented malus and clawback provisions in the remuneration system for the Management Board in accordance with section G.11 of the DCGK. In justified cases, the Supervisory Board will be entitled to reduce or defer (malus) the variable short-term and long-term remuneration (STI and LTI) that has not yet been paid or claw back any remuneration already paid (clawback).

Among other things, the violation of the duties of care and the responsibilities of management board members as defined in section 93 of the German Stock Corporation Act, misconduct in connection with compliance violations or the preparation of erroneous annual financial statements will constitute justified cases.

The Supervisory Board may decide to reduce, defer or deny remuneration. In such cases, the specific circumstances of the individual case will be taken into account, and the interests of the Company will be balanced against those of the Management Board member.

G. Remuneration-related legal transactions

1. Term of Management Board member service agreements

The Management Board members of RENK Group AG will be appointed by a resolution of the Supervisory Board, which is also formally responsible for concluding the Management Board member service agreements. If a Management Board member is appointed for the first time, care will be taken to make sure that, as a rule, the term of appointment and the term of the Management Board member service agreements do not exceed three years. If a Management Board member is re-appointed or his Management Board member service agreement is extended, the term of appointment or term of the agreement should, in accordance with the provisions under German stock corporation law applicable to management board members, not exceed five years. The Management Board member service agreements will be extended for the term of re-appointment.

As a rule, the Management Board member service agreements have a fixed term. Therefore, the agreement cannot be terminated early by way of termination with due notice. This is without prejudice to the right to extraordinary termination pursuant to section 626 of the German Civil Code.

2. Severance payment

If the Company revokes the appointment as a member of the Management Board before the end of the term of the relevant service agreement, the relevant Management Board member will be entitled to a severance payment, unless the agreement was terminated for good cause within the meaning of section 626 of the German Civil Code or the appointment was revoked due to a gross breach of duty pursuant to section 31 of the German Act on Co-determination by Employees (*Mitbestimmungsgesetz – MitbestG*) and section 84 of the German Stock Corporation Act.

The amount of the severance payment is based on the relevant Management Board member's annual base remuneration, STI and LTI. The severance payments relating to the STI and the LTI will each be based on 100% overall target achievement and calculated pro rata temporis from the end of the service relationship until the regular end of the current term of the relevant agreement, but not exceeding one year. The Supervisory Board may choose to agree a post-contractual non-competition obligation with non-competition compensation (*nachvertragliches Wettbewerbsverbot mit Karenzentschädigung*). As a rule, such non-competition compensation amounts to 50% of the payments last received under the agreement and will be paid for the duration of the post-contractual non-competition obligation.

3. Illness and death

In the case of inability to work due to illness, the total remuneration will continue to be paid for a period of 12 months.

If the Management Board member dies during the term of the service relationship, the surviving spouse or the surviving cohabiting dependant or civil partner will receive the monthly instalments of the base remuneration for the month of death and five additional months.

H. Share ownership guideline

The service agreements of the members of the Management Board include a share ownership guideline. Its purpose is to further strengthen and ensure the alignment of interests between the Company's shareholders and the Management Board members. Under the terms of this share ownership guideline, every Management Board member is obligated to have invested in the Company's shares over a period of four years. The amount to be invested is equal to a multiple of the annual base remuneration and is set at 200% of annual gross base remuneration for the chairman or chairwoman of the Management Board and at 100% for the other Management Board members. Any existing shareholdings will be taken into account. The shares acquired under the share ownership guideline must be held in full until the end of the relevant Management Board member's service. The Supervisory Board will review compliance with the share ownership guideline described above at regular intervals.

I. Outside activities

Outside their service to the Company, the Company's Management Board members may only engage in limited outside activities such as serving on management boards and supervisory boards or other administrative activities. The written consent of the Supervisory Board is required if a Management Board member wishes to acquire or maintain equity interests in entities or engage or continue to engage in paid or unpaid outside activities, including serving on supervisory bodies or advisory boards (*Beiräte*).

J. Temporary deviation from the remuneration system

Pursuant to section 87 para. 2 of the German Stock Corporation Act, the Supervisory Board may temporarily deviate from components of the remuneration system if this is necessary in the interest of the Company's long-term well-being. This includes, for instance, adjusting the remuneration system when corporate strategy has changed significantly to ensure appropriate incentivisation or in the event of exceptionally far-reaching changes in the political and/or economic environment (e.g. severe economic crisis).

Deviations are possible with regard to the following components of the remuneration system: the procedure, the rules regarding the structure and amount of remuneration including the relationship of the remuneration components to each other, the maximum remuneration and the individual

remuneration components, namely the base remuneration (in particular the amount and payment date), fringe benefits (amount, type and payment date) and the variable remuneration components (in particular the key performance indicators, the provisions governing the determination of payment amounts and the payment dates).

Any temporary deviation from the remuneration system requires an explicit resolution of the Supervisory Board in which the duration of the deviation and the deviation itself are described in specific detail and the reason for such deviation is described in an appropriate form. Where the provisions of the Management Board member service agreement permit for the relevant remuneration provisions to be amended unilaterally, the Supervisory Board will unilaterally implement the deviations deemed necessary; otherwise, the Supervisory Board will endeavour to conclude a suitable contractual arrangement with the Management Board member(s) affected. In the event of a deviation, the specifically affected components of the remuneration system from which there has been a deviation are to be named and the reasons why a deviation was necessary are to be explained in the remuneration report.

K. Entry into force

The remuneration system for the remuneration of Management Board members will become effective subject to approval by the General Meeting. It will be applied to Management Board member service agreements and implemented accordingly in the Management Board member service agreements.

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