Simplifying Progress

Sartorius AG

Policy on Remuneration of Executive Board Members Pursuant to Section 87a of the German Stock Corporation Law (AktG)

The following remuneration policy described in detail for the Executive Board was adopted by the Supervisory Board in February 2021. It will be used by the Supervisory Board as the basis for all new compensation arrangements as of January 1, 2021.

A. Main Features of the Remuneration Policy and Contribution Toward Promoting the Corporate Strategy and Long-Term Development of the Company

The remuneration policy for the Executive Board aims to remunerate the members of the Executive Board appropriately in line with their tasks and responsibilities and to directly consider the performance of each member of the Executive Board and the success of the company. Accordingly, the remuneration policy includes fixed remuneration components as well as short- and long-term variable remuneration components.

The company strategy is aimed at achieving profitable growth and a sustained, long-term increase in the value of the company. This strategy is the basis from which the structure of the remuneration policy is derived for the Executive Board of Sartorius AG: The short-term variable remuneration depends on annual corporate targets that are aligned with key performance indicators for profitable growth of the company. Long-term remuneration depends on a corporate goal that reflects the sustainable and long-term growth of the company and the Group, on the one hand, and on the long-term performance of the share price, which directly reflects the development of the company's value, on the other. As a result, the company's remuneration policy creates incentives to promote the long-term and positive sustainable development of the company. By contrast, there are currently no non-financial target parameters for the variable remuneration components. However, the Supervisory Board is aware of the importance of both environmentally sustainable management and corporate social responsibility issues and will examine the possibility of including corresponding non-financial target parameters in the short- and/or long-term variable remuneration components in the future.

The policy for remuneration of the Executive Board members is simply, clearly and understandably structured. It meets the requirements of the German Corporate Governance Code ("**GCGC**") with the exception of any divergences justified in the particular Declaration of Compliance issued.

B. Details of the Remuneration Policy

I. Remuneration Components

1. Overview of the Individual Remuneration Components
Remuneration consists of fixed and variable components. The fixed components are the fixed annual salary and fringe benefits. The variable performance-based components are comprised of short-term components with a one-year assessment basis and of long-term components with a multi-year assessment basis. In addition, there are pension commitments, which depend, among other things, on the amount of the own contribution made by the respective Executive Board member in the form of deferred compensation for variable remuneration components, and which are therefore also variable.

2. Fixed Remuneration Components

a. Fixed Annual Remuneration
Fixed annual remuneration is cash compensation related to a specific fiscal year, and is based in particular on the area of duties and responsibilities of the respective Executive Board member. This fixed annual remuneration is paid in twelve monthly installments.

b. Fringe Benefits
Beyond the fixed annual remuneration, the members of the Executive Board receive fringe benefits in the form of benefits in kind and further financial benefits.

As standard benefits, the Executive Board members will each be provided with a company car that can also be used for private purposes and to be covered by accident insurance taken out in the respective Executive Board member's name as a beneficiary. Furthermore, the company maintains a directors' and officers' (D&O) liability insurance policy for the benefit of the members of the Executive Board.

The Supervisory Board can decide that, if necessary, suitable additional benefits in kind (in particular security services and medical benefits) may also be provided or corresponding costs reimbursed.

New members of the Executive Board may also be granted compensation for remuneration/benefit entitlements which they lose as a result of joining Sartorius. Furthermore, moving expenses and, for a transitional period to be determined by the Supervisory Board, other costs associated with relocation to the company may be reimbursed up to a maximum amount to be determined in individual contracts (in particular costs for traveling home, including incidental expenses, and for running two households). For Executive Board members residing outside Germany, the company may also assume permanently associated costs (in particular costs for flights home including incidental expenses and for double housekeeping). Such benefits are intended to ensure that the company can recruit the best possible candidates for service on the Executive Board.

3. Variable Performance-Based Remuneration Components

a. Short-Term Variable Remuneration with a One-Year Assessment Basis
In addition to receiving fixed remuneration components, all Executive Board members are entitled to receive short-term variable remuneration with a one-year assessment basis.

Target Parameters
Short-term variable remuneration with a one-year assessment basis consists of several individual components each related to different target parameters.

Currently, there are three individual components related to the subordinate financial targets of sales revenue | order intake, underlying EBITDA and the ratio of net debt to underlying EBITDA.

The target parameter of sales revenue | order intake is a measure of the average calculated from sales revenue and order intake and is a key performance indicator of growth. Underlying EBITDA as a target parameter stands for earnings before interest, taxes, depreciation and amortization and is adjusted for extraordinary items; this is a key profitability indicator of the Group and is used to provide a picture of the Group's operating development that is also internationally better comparable. The target parameter of the ratio of net debt to underlying EBITDA is calculated as the quotient of net debt and underlying EBITDA and is a key financial ratio regarding the Group's debt financing capacity.

To develop these target parameters, the company provides regular reports as part of its periodic financial reporting. These targets are key control elements for profitable growth as well as for a sustainable and long-term increase in the value of the company and serve to implement the overarching strategic goals of the Group.

The remuneration policy does not currently prescribe binding target parameters, however. Rather, the Supervisory Board can set further target parameters, including non-financial ones, and/or replace existing target parameters by others. In turn, the particular target parameters must be used that the company reports at least once annually as part of its periodic financial reporting. The Supervisory Board shall ensure that the particular target parameters in their entirety continue to reflect key control elements for profitable growth as well as a sustainable and long-term increase in the value of the company; In addition, non-financial targets may also be defined in the future. At least one target parameter is to be based on key indicators that measure the development of business volume and/or earnings.

Measurement of Target Achievement and Bonus Payment

For each target parameter, the Supervisory Board determines a formula that is used to determine the bonus to be paid for the respective individual component based on the degree of target achievement. In the process, the Supervisory Board also defines (i) the minimum target achievement below which the bonus to be paid is zero, and (ii) the maximum target achievement above which the bonus to be paid no longer increases. As a result, the amount of a bonus to be paid is capped for each subordinate target at a maximum percentage of the individual target amount. This cap is currently 120% for all subordinate targets. However, the Supervisory Board can elect to define a different cap in the future.

For every individual component of short-term variable remuneration with a one-year assessment basis, the Supervisory Board shall set an individual target amount for each Executive Board member before the beginning of a fiscal year. This target amount is used to determine the specific amount of a bonus to be paid based on the level of target achievement defined for the respective fiscal year. The targets are weighted for the individual Executive Board members according to their area of responsibility and, if they are responsible for a division, can be related to the assessment parameters of the particular division, except for the assessment parameters applicable to the Group.

In the case of financial target parameters, the target at which the full target bonus amount is paid out (= 100% target achievement) is derived by the Supervisory Board from the approved annual budget for the respective fiscal year and the level of target achievement is determined by comparison with the actual result, which results from the audited and approved consolidated financial statements for the respective fiscal year. In determining the level of target achievement, the Supervisory Board can make adjustments to the actual figure to allow for non-recurring, extraordinary circumstances and/or non-operating items.

Annual short-term variable remuneration is calculated for a fiscal year ended and paid in the following fiscal year. If an Executive Board member joins or leaves the board without serving for a full year, his or her short-term variable remuneration will be calculated and determined on a pro-rated basis.

b. Long-Term Variable Remuneration Components

The long-term variable remuneration components for all Executive Board members first consist of the following two individual components: One individual component is related to the development of the consolidated net profit in a four-year assessment period as a target parameter; the other, to the price development of Sartorius AG preference shares in an assessment period of (at least) four years. As a result, the long-term variable remuneration components are also aligned with financial target parameters that measure profitable growth and a sustainable and long-term increase in the value of the company, and thus serve to implement the company's overarching strategic objectives.

The two previously mentioned long-term variable remuneration components are each weighted at 50%. For each of the two individual components, the Supervisory Board defines a separate individual target amount for every Executive Board member before the beginning of a fiscal year. This target is used as the basis for calculating the specific bonus amount to be paid out based on the degree of achievement of the associated targets defined for the respective fiscal years.

The Executive Board Chairman can additionally be granted compensation in the form of shares in the company (share-based remuneration) as a further long-term variable component. Share-based remuneration and participation in the company’s share price development as a result will also promote the long-term increase in the value of the company as an overriding strategic corporate objective.

Consolidated Net Profit

The individual component related to consolidated net profit has an assessment period of four consecutive fiscal years and begins with the fiscal year in which the tranche concerned is granted. A new tranche is granted on a rolling basis for each fiscal year that a member's appointment lasts. The amount paid out for a particular tranche depends on the total target achievement for the respective assessment period, which corresponds to the average target achievement for each of the four fiscal years of the relevant assessment period. For each fiscal year, the Supervisory Board annually defines a target for consolidated net profit in euros, which is derived by the Supervisory Board from the annual budget approved for the respective fiscal year.
To determine the level of target achievement for a fiscal year, the consolidated net profit, excluding amortization (impairment of the value of intangible assets due to business combinations pursuant to IFRS 3) – as reported in the company's consolidated financial statements audited and approved – is compared to the particular target set by the Supervisory Board. In individual cases, the Supervisory Board may make further adjustments to the actual amount to allow for non-recurring, exceptional circumstances and/or non-operating items.

The amount to be paid out is determined based on the individual target amount and a formula defined by the Supervisory Board. It provides for (i) a minimum target achievement which must be exceeded to receive a bonus and below which the amount paid out is zero, and (ii) a maximum target achievement, above which the bonus amount to be paid out no longer increases. The bonus paid out is thus capped in each case at a maximum percentage of the individual target amount. This cap is currently set at 120% and is reached at a target achievement level of 120%. In the future, however, the Supervisory Board may also define a different cap.

This remuneration component is paid out at the end of the fourth fiscal year of the assessment period for the respective tranche.

Development of the Preference Share Price (Phantom Stock Plan)

Executive Board members receive virtual shares, so-called phantom stock units, as a second individual component of long-term variable remuneration. Through the issue of such shadow shares, Executive Board members are treated as if they were owners of a certain number of preference shares in Sartorius AG, without, however, being entitled to receive dividends. The development of the value of this phantom stock is linked with the development of the Sartorius preference share; both increases and decreases in the share price are taken into account. Later, the value of this phantom stock is assessed based on the share price at the time, and its equivalent is paid out in cash, provided that the associated conditions are met. Phantom stock cannot be traded and does not entail any share subscription rights.

According to the Sartorius phantom stock plan, each Executive Board member is credited at the beginning of every fiscal year with phantom stock units valued at an agreed monetary sum. Phantom stock units are granted on a rolling basis for each fiscal year that a member's appointment lasts. The value of this phantom stock can be paid out only as an entire annual tranche. Payment can be requested at the earliest after a period of four years and no later than after eight years. If an Executive Board member's appointment begins during a year, phantom stock will be granted retroactively (on a pro-rated basis as necessary) at the start of a fiscal year.

An Executive Board member is entitled to receive payment for phantom stock units only if, according to the current plan conditions, the share price at the time of such payment request has appreciated at least 7.5% per year relative to the time the phantom stock was assigned or if the share price outperformed a defined comparative index or group, with the current conditions of the phantom stock plan defining the TecDAX as a comparative index. In addition, the value of the phantom shares must be at least 50% of the grant value. The phantom stock plan rules out subsequent changes to the parameters used for comparative stock valuation.

According to the current phantom stock plan conditions, assignment of this phantom stock and later payment of its monetary equivalent depend on the mean value calculated from the average prices of the Sartorius AG preference share, with said prices quoted in the closing auction of Xetra trading on the Frankfurt Stock Exchange over the last 20 days of trading of the previous year (in the case where phantom stock units are assigned) or over the last 20 days of trading prior to submission of a payment request (in the case of payment for phantom stock units). This serves to compensate for any short-term fluctuations in the share prices.

The amount to be paid is capped, however, at a maximum of 2.5 times the share price at the time the phantom stock was assigned, based in each case on the individual annual tranche.

Pursuant to the current phantom stock plan conditions, payment for phantom stock is blocked for the four weeks preceding the scheduled publication date of quarterly results and for the 30 calendar days before the scheduled publication of the half-year results and preliminary year-end results, as well as for 20 days of trading on the stock exchange following the actual publication of quarterly and preliminary year-end results. These black-out periods are intended to ensure that payments are only made during periods in which the most recent business results have already been processed in the capital market and the regular publication of further business results is still sufficiently far in the future.

However, the remuneration policy does not specify the details of the share price calculation on which the allocation and payment of the phantom stock units are based, the minimum annual increase in value, the benchmark for measuring the relative share price performance, or the relevant payment windows. They can therefore also be regulated by the Supervisory Board in the future in divergence from the current plan conditions; in particular, the benchmark for measuring relative share price development can be suitably adjusted in the event of a change in the company's index or a change in the composition of the index previously used.

Share-Based Remuneration for the Executive Board Chairman

Remuneration in the form of company shares can additionally be granted to the Executive Board Chairman. These shares are subject to a holding period of at least four years as of the beginning of the time the Chairman is appointed. With these shares, the beneficiary thus participates in positive and negative share price developments for a period of several years. The shares granted may be the company's own ordinary and/or own preferred shares. For the purposes of share-based remuneration, the Supervisory Board shall define a total grant date fair value that is converted in a corresponding number of shares based on the current stock market price of the respective class of share at the time of granting. The shares in question will then be transferred in full to the beneficiary at the beginning of his appointment, but may not be sold before the holding period has expired. If the beneficiary leaves the Executive Board prior to the end of his appointment, conditions can be set so that the shares granted are forfeited in whole or in part, depending on the time of the beneficiary’s resignation or departure, and must be transferred from the beneficiary back to the company.

4. Pension Commitments

The members of the Executive Board generally receive pension commitments as defined-benefit plans for their first reappointment. At the request of the Executive Board member concerned, the company will take out an insurance policy for the term of his employment contract and pay the particular benefit contributions into this insurance. The members of the Executive Board each receive defined pension contribution commitments as of their first reappointment. At the request of the Executive Board member concerned, the company shall take out a corresponding insurance policy for the duration of the employment relationship, into which the respective pension contributions will be paid. If no other retirement benefits were granted during a member’s first time of appointment, the respective pension contributions can also be subsequently granted for a member’s initial term of appointment.

Each benefit contribution consists of a basic amount of up to 14% of the member’s particular annual fixed remuneration. On request, the particular Executive Board member concerned can additionally pay in, as a personal benefit contribution by way of deferred compensation, a partial sum of up to 7% out of the gross amount paid to this Executive Board member in the respective fiscal year as short-term variable compensation and as long-term variable compensation based on net profit. If a member of the Executive Board exercises this right, the company on its part will make an additional contribution in the same amount (matching benefit contribution).

Pursuant to the insurance terms and conditions, the pension benefit can be granted in the form of a retirement pension or a lump-sum payment for reaching the regular retirement age or needing to retire due to disability, as well as in the form of surviving dependents' benefits for widows and orphans, according to which particular option an Executive Board member elects. The company does not guarantee the paid-in capital or an annual interest rate.

The regular retirement age for all pension commitments is 65. There are no early retirement regulations, except in the case of disability.

Insofar as further pension benefits were granted or promised for individual Executive Board members in the past, these shall remain unaffected and the corresponding pension entitlements shall continue unchanged.

5. Other Remuneration Components

The remuneration policy provides that the Supervisory Board may grant special compensation at its reasonable discretion for extraordinary performance by a member of the Executive Board.

II. Target Total Remuneration; Relative Percentages of Fixed and Variable Remuneration Components

The Supervisory Board determines a specific target total remuneration for each Executive Board member according to his or her area of tasks and responsibilities. The target total remuneration is related to each full fiscal year and is the sum of all remuneration components relevant for total remuneration. In the case of benefits in kind promised as fringe benefits, the relevant value for income tax purposes shall be applied in each case. The D&O insurance taken out by the company for the benefit of the Executive Board members is not considered separately, as this is not a compensation benefit in the narrower sense.

Where targets are measured, the variable components are based on the target amount for 100% target achievement. For participation in the phantom stock plan, the annual grant date fair value shall be used for calculation; for share-based remuneration of the Executive Board Chairman, the pro-rated grant date fair value for each year associated with his term of appointment.

Regarding pension commitments, it is assumed that for the purposes of defining the target total remuneration the Executive Board members will exercise their right to receive deferred compensation of their variable remuneration components (based on 100% achievement of targets) to the maximum extent permitted and that the company will therefore also pay each member a corresponding additional amount as a matching contribution. If, upon initial reappointment, corresponding pension amounts are also subsequently granted for the first term of appointment, these amounts shall not be allocated to the new term of appointment, however, but to the previous term of appointment for the purposes of the target total remuneration.

For the Executive Board Chairman, the relative percentage of fixed remuneration components (fixed annual salary and fringe benefits) is between 25% and 40% of his target total remuneration and the percentage of the short- und long-term variable remuneration components is between 55% and 70%. For the other Executive Board members, the relative percentage of their fixed remuneration components (fixed annual salary and fringe benefits) is between 35% and 55% of their respective total target remuneration and the percentage of their short- and long-term variable remunerations components is between around 40% and 60%, with the percentage of long-term variable components higher for each member than that of the short-term variable target remuneration. The percentage of their pension commitments is currently between 0% and around 10% (inclusive in each case) of their respective target total remuneration.

III. Reclaiming or Reducing Variable Remuneration (Clawback)

The remuneration policy provides that the company is entitled to reclaim from Executive Board members variable remuneration components already paid out to them in the following cases described:

1. Performance Clawback

If the entitlement to payment of annual short-term variable remuneration and of remuneration with a multi-year assessment basis in relation to the individual component of consolidated net profit is based on audited and approved consolidated financial statements that were objectively incorrect and therefore had to be subsequently corrected in accordance with the relevant accounting standards, and if no or a lower entitlement to payment of variable remuneration components would have arisen based on the corrected audited consolidated financial statements, the company may reclaim the corresponding amount of overpayment from the respective Executive Board member.

2. Compliance Clawback

If an Executive Board member commits, either through gross negligence or willful intent, any dereliction of the duty to exercise the skill and care of a prudent manager faithfully complying with his duties in accordance with Section 93, Subsection 1, of the German Stock Corporation Law "AktG," the company shall be entitled to reclaim from the respective Executive Board member the full or partial repayment of the annual short-term variable remuneration paid out to him for the respective assessment period in which the breach of duty occurred, the remuneration with a multi-year assessment basis related to the individual component of the consolidated net profit, and of the liquidated phantom stock units and/or to declare that member's forfeiture with respect to tranches of phantom stock units yet to be granted.

The Executive Board member shall not be obligated to reimburse the company if more than three years have elapsed as counted from the payment of the respective variable remuneration components up to the time a claim against said member for reimbursement is asserted. The objection of disenrichment in accordance with Section 818, Subsection 3, of the German Civil Code "BGB" is excluded under the remuneration policy. The right to claim damages pursuant to Section 93 of the German Stock Corporation Law "AktG" shall remain unaffected.

IV. Maximum Remuneration for Individual Executive Board Members

Total remuneration, consisting of a fixed salary, including fringe benefits, pension expenses and the short- and long-term variable compensation components for a fiscal year – regardless of whether it is paid in the fiscal year in question or at another time – is limited on the whole to a maximum amount of €4,500,000.00 gross for the Executive Board Chairman and to a maximum amount of €2,250,000.00 gross for every other Executive Board member. This maximum remuneration takes into account the maximum possible non-performance-based fixed remuneration components and the performance-based variable remuneration components, including pension expenses. Benefits in kind granted as fringe benefits are recognized at their value relevant for income tax purposes. With regard to the share-based remuneration of the Executive Board Chairman, the maximum remuneration is calculated on the basis of the pro-rated grant date fair value.

V. Remuneration-Related Legal Transactions

1. Terms and Prerequisites for Termination of Remuneration-Related Legal Transactions

The employment contracts of Executive Board members are concluded for the term of their respective appointments. Initial appointments are each for a maximum of three years; extensions of an appointment term are for up to five years.

Termination of their employment contracts by giving due and proper notice is excluded. For this reason, an employment contract of an Executive Board member can only be terminated by mutual agreement based on a termination agreement or by termination for cause with immediate effect. The company may terminate an Executive Board member's employment contract for cause, particularly in the event that the Supervisory Board revokes this member's appointment for grave cause pursuant to Section 84, Subsection 3, of the German Stock Corporation Law "AktG". In this case, the statutory periods of notice pursuant to Section 622 of the German Civil Code "BGB" shall apply, unless there is also a compelling reason ("cause") for termination without notice pursuant to Section 626 of BGB.

2. Severance Payments

The employment contracts for Executive Board members provide that a member will receive a severance payment in the event the company terminates the employment contract of said member with immediate effect, provided that said member is not responsible for any grave cause or compelling reason warranting said termination ahead of the regular contract expiration date. The amount of the severance payment shall be two years' salary maximum, but shall not exceed the amount of remuneration that would be due and payable until the end of the contract term.

Furthermore, in the event of early termination of employment on Executive Board by mutual agreement, the company may also grant or agree to grant severance payments, the amount of which is, in turn, limited to a maximum of two years' remuneration and which compensate no more than the remaining term of the member's employment contract.

For the purpose of determining the maximum remuneration, severance payments are to be allocated (pro rated, if applicable) to the fiscal year for which they are granted, regardless of whether they are paid out or received in the fiscal year in question or at another time.

3. Non-Competition Clause

The Executive Board employment contracts provide for a post-contractual non-competition clause for a duration of up to two years upon termination of employment with the company. In the event that this non-competition clause is not waived or is nullified, half of the remuneration last paid by the company shall be granted to the respective Executive Board member as compensation for non-competition throughout the non-competition period. Any severance to be paid in connection with the termination of an employment contract to an Executive Board member shall be deducted in full from said compensation for non-competition.

VI. Procedure for Establishing and Implementing as well as Reviewing the Remuneration Policy

The Supervisory Board shall establish and regularly review the remuneration policy for the Executive Board in accordance with the legal requirements. In the process the Executive Task Committee of the Supervisory Board shall support the latter in this effort. The Executive Task Committee of the Supervisory Board prepares the remuneration policy for approval by the full Supervisory Board and makes the respective suggestions.

In the process, the Supervisory Board also reviews the appropriateness of such remuneration in comparison to the remuneration of the Executive Board within the peer group of the company (horizontal appropriateness). The peer group is defined by the Supervisory Board and covers domestic and foreign companies that are comparable based on sector, size and sales.

In establishing the remuneration for the Executive Board members, the Supervisory Board further considers both the compensation of senior management and that of the remaining workforce in relation to the German Group companies (vertical appropriateness) and compares it to the particular remuneration of the Executive Board. For these purposes, the Supervisory Board defines senior management as the group of executives of the first two management levels below the Executive Board. The Supervisory Board looks not only at the current compensation ratio, but also at how it has developed over time. The current remuneration policy is also based on a review of vertical appropriateness in accordance with these principles.

If necessary, the Supervisory Board will engage an independent compensation consultant to review vertical and horizontal appropriateness. When external compensation consultants are engaged, their independence shall be ensured. The compensation consultants engaged shall be changed from time to time. Furthermore, the Supervisory Board also takes into account the requirements of the German Corporate Governance Code when determining and reviewing the remuneration of the Executive Board.

Any conflict of interest in the establishment, implementation and review of the remuneration policy shall be treated by the Supervisory Board in the same way as other conflicts of interest in the person of a Supervisory Board member. The Supervisory Board member concerned is therefore required to disclose any conflict of interest to the Chairman of the Supervisory Board and will not participate in the adoption of resolutions or in the deliberations concerned. Disclosure of any conflicts of interest at an early stage ensures that the decisions of the Supervisory Board are not influenced by inappropriate considerations.

The remuneration policy resolved by the Supervisory Board shall be submitted to the Annual General Shareholders' Meeting for approval.

The Executive Task Committee prepares for the regular review of the policy for remuneration of the Executive Board members. If necessary, this committee will recommend that the Supervisory Board make changes to this policy. In the event of material changes, but at least every four years, however, the remuneration policy shall be submitted to the Annual General Shareholders' Meeting for approval.

If the Annual General Shareholders' Meeting does not approve a particular remuneration policy submitted to it for approval, a revised remuneration policy shall be submitted at the next Annual General Shareholders' Meeting.

The current Executive Board contracts already correspond, except for a few divergences, to the remuneration policy described and will correspond to it as of the year 2022. Insofar as the discrepancies still exist beyond the current year under the current Executive Board employment contracts, the Supervisory Board will examine in consultation with the Executive Board members concerned to which extent and, if applicable, as of which period an adjustment can be made. Said discrepancies exist according to the current Executive Board contracts of Dr. Kreuzburg and Mr. Lehmann for the long-term component of variable remuneration aligned with the consolidated net profit. The individual tranches correspond to the remuneration policy applicable so far – even beyond the current year of 2021 – which are calculated for an assessment period of only three years and, according to this policy, provide for a partial payment after the first fiscal year of this period in each case. A further difference is provided in the Executive Board contract of Mr. Lehman – also beyond the current year of 2021 – in which any severance in the event of his early resignation is not deducted from compensation for non-competition under the post-contractual non-competition clause.

C. Temporary Deviations from the Remuneration Policy

Pursuant to Section 87a, Subsection 2, sentence 2, of the German Stock Corporation Law "AktG" the Supervisory Board is entitled to deviate temporarily from the company's Executive Board remuneration policy if this is necessary in the interest of the long-term prosperity of the company. A Supervisory Board resolution for such a deviation shall be necessary, with said resolution detailing the reasons, the manner and the intended period of this deviation are to be explained in the individual case. Based on such a resolution, deviations from the remuneration policy are possible for all remuneration components. However, a deviation from the specified maximum remuneration shall be excluded.

D. Overview of the Remuneration Policy for Executive Board Members

The following diagram provides a schematic overview of the remuneration policy.

Remuneration Policy for the Executive Board | Overview

		Remuneration components	Structure of the remuneration components	Maximum bonus (in % of the target amount)	Maximum remuneration	Further benefits
Fixed	Cash	Fixed remuneration	Basic remuneration + Fringe benefits	100%	Maximum amount of all cash remuneration components for the respective fiscal year	Compensation for post-contractual non-competition clause (50% of most recent remuneration)
Fixed	Cash	Retirement benefits	Basic amount	100%		
Variable	Cash	Retirement benefits	Additional amount (matching contribution)	120%		
Variable	Cash	Short-term variable remuneration	Sales revenue | Order intake (Group and/or division) Underlying EBITDA (Group and/or division) Ratio of net debt to underlying EBITDA (Group)	120%		Clawback
Variable	Cash	Long-term variable remuneration	Consolidated net profit	120%		Severance cap in the event of early contract termination
Variable	Cash / Share-based payment	Long-term variable remuneration	Phantom stock units	250%		
Variable	Shares / Share-based payment	Long-term variable remuneration	Share-based payment (Executive Board Chairman only)	Granted one time: Afterwards no further shares granted	+ Proportional grant date fair value of share-based payment for the respective fiscal year	Extraordinary performance