



**Item 5 on the agenda of the Annual General Meeting on 8 June 2021 –
Resolution on the endorsement of the remuneration system for
members of the Executive Board**

Wording of item 5 on the agenda for the 2021 Annual General Meeting:

**Resolution on the endorsement of the remuneration system for members of
the Executive Board**

A new section 120a of the *Aktiengesetz* (AktG – German Stock Corporation Act) has been introduced by the *Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie* (ARUG II – German Act on the Implementation of the Second Shareholder Rights Directive). Section 120a(1) AktG stipulates that the annual general meeting of a listed company must vote to approve the remuneration system proposed by the supervisory board for members of the Executive Board whenever there is a significant amendment to this system or at least every four years.

Effective 1 April 2021, the Supervisory Board has resolved a new and revised remuneration system for the members of the Executive Board of the company in accordance with section 87a(1) AktG, which is described under I. “Remuneration system for the members of the Executive Board”.

In accordance with the statutory regulations, the new remuneration system will apply in future when determining remuneration in conjunction with the signing, amendment or renewal of Executive Board contracts, i.e. the next time it applies will be to the renewal of the contract with Dr. Martin Heuser. This does not affect the contracts already in place with the other three members of the Executive Board.

The Supervisory Board proposes the approval of the remuneration system for the members of the Executive Board presented under section I. of the invitation to the Annual General Meeting on 8 June 2021 and resolved by the Supervisory Board effective 1 April 2021.

Result of vote:

The Annual General Meeting of Viscom AG voted on the above proposal under item 5 of the agenda on 8 June 2021.

In conjunction with the vote on the approval of the remuneration system for the members of the Executive Board, valid votes were cast for 6,390,806 no-par value shares, corresponding to 70.85% of the registered share capital. The Annual General Meeting voted with 5,861,688 no-par value shares, corresponding to 91.72% of the valid votes, in favour of the proposal and thereby approved the remuneration system for the members of the Executive Board.

Annex to item 5 on the agenda of the Annual General Meeting on 8 June 2021

I. Remuneration system for the members of the Executive Board

By way of the German Act on the Implementation of the Second Shareholder Rights Directive (ARUG II) adopted by the German Bundestag on 14 November 2019 and promulgated in the Federal Gazette on 22 December 2019, section 120(4) AktG was revoked and a new section 120a AktG introduced. The amendments to the German Stock Corporation Act arising from ARUG II became effective as at 1 January 2020. Section 120a(1) AktG stipulates that the annual general meeting of a listed company must vote to approve the remuneration system proposed by the supervisory board for members of the Executive Board whenever there is a significant amendment to this system or at least every four years. In accordance with section 26j(1) sentence 1 of the *Einführungsgesetz zum Aktiengesetz* (EGAktG – Introductory Act to the German Stock Corporation Act), this vote must take place for the first time at this year's Annual General Meeting.

Effective 1 April 2021, the Supervisory Board therefore resolved a new remuneration system for the members of the Executive Board in order to implement the requirements of ARUG II. In particular, this is being done by introducing new environmental, social and governance (ESG) targets to ensure the sustainable development of the company, including beyond a merely commercial perspective:

- Some of the variable remuneration will be linked to the achievement of a target for the reduction of employee turnover in order to retain long-term experience and skills within the company moving ahead (social component).
- Some of the variable remuneration will be linked to the achievement of a target for the reduction of Viscom AG's electricity consumption. This is intended to incentivise the reduction of energy consumption and the related costs to the company. The relevant calculations do not include additional energy expended for changing the fleet to electric vehicles or energy produced using the company's own production facilities (e.g. photovoltaic systems) (environmental component).

- Furthermore, variable remuneration can be retained or subsequently claimed back, in full or in part, in the event of severe breaches of duty by members of the Executive Board. This is intended to guarantee that members of the Executive Board abide by internal policies and the applicable laws (governance component).

The details of the remuneration system are as follows:

1. Basic principles of the remuneration of members of the Executive Board of Viscom AG

The remuneration of the members of the Executive Board of Viscom AG is determined in accordance with the German Stock Corporation Act and is geared towards the long-term and sustainable development of the company. Other than the duties and performance of the individual member of the Executive Board, the overall remuneration of the members of the Executive Board is guided by the size, complexity and situation of the company.

It consists of a non-performance-based salary and non-performance-based benefits in kind, pension commitments and performance-based (variable) components.

The non-performance-based components include a fixed annual salary (**basic salary**), additional benefits (such as a contribution to social security and health insurance; see below for details) and benefits in kind (such as a company car; see below for details).

The performance-based components consist of annual variable remuneration (Bonus I, STI), which relates to the achievement of commercial goals within a year and variable remuneration (Bonus II, LTI), which relates to the achievement of commercial, social and environmental goals within a period of three years.

The financial, commercial, social and environmental goals embedded in the performance-based remuneration components are consistent with the company's business strategy and its sustainable and long-term development. Both the short-term and long-term variable remuneration are intended to provide the members of the Executive Board with incentives for the sustainable development of the company.

The Supervisory Board prioritises the long-term nature of corporate development, and has therefore weighted long-term performance-based remuneration components (Bonus II) more heavily. The Supervisory Board has also incorporated environmental, social and governance (ESG) goals into the new remuneration system to incentivise the sustainable development of the company. Alongside purely commercial objectives, the ESG targets are intended to guarantee the achievement of social and environmental factors in addition to lawful corporate governance. The placement of such ESG targets in the long-term incentive emphasises Viscom AG's interest in compliance with such requirements for the future.

In accordance with the statutory requirements, the remuneration system also stipulates caps on remuneration, firstly by limiting variable remuneration to the amount of fixed annual remuneration and secondly by defining a maximum amount of remuneration (taking into account all remuneration components including additional benefits).

The members of the Executive Board are entitled to 100% of fixed remuneration and – depending on the achievement of targets – to variable remuneration, the total amount of which is capped at the same amount as fixed annual remuneration. The maximum amount of remuneration is therefore 200% of fixed annual remuneration, plus additional benefits of a less significant amount. Assuming the currently agreed fixed salary of EUR 208,000, reaching the above cap would result in total remuneration for members of the Executive Board of EUR 416,000 plus additional benefits.

The amount of the remuneration of members of the Executive Board can therefore vary in future, on the basis of the new model. The maximum amount of total remuneration is dependent on the monthly basic salary negotiated with the member of the Executive Board.

In the remuneration system, the Supervisory Board has also defined a maximum amount of remuneration as referred to by section 87a(1) sentence 2 no. 1 AktG (including all remuneration components and additional benefits) for the members of the Executive Board of EUR 450,000 each.

The following is an example of the remuneration of a member of the Executive Board whose remuneration is the first due to be switched to the new remuneration model. Subject to section 87a(2) sentence 2 AktG, the new model will apply to all new members of the Executive Board and when contracts with members of the Executive Board are renewed.

		Maximum annual amount in EUR
Non-performance-based remuneration	Fixed remuneration	208,000
	Additional benefits	around 9,500
	Direct insurance	1,742.49
Performance-based remuneration	Bonus I (STI)	208,000
	Bonus II (LTI)	208,000
	• EBIT component	• 124,800
	• Social component	• 41,600
	• Environmental component	• 41,600
Cap on performance-based remuneration		208,000
Total remuneration (taking cap into account)		416,000 plus additional benefits, direct insurance

The remuneration system is also supplemented by appropriate regulations in connection with starting and ending service on the Executive Board (see section 4. below).

2. Individual remuneration components

a. Fixed monthly salary and additional benefits

The members of the Executive Board of Viscom AG receive remuneration in the form of a fixed monthly salary (basic salary) and additional benefits. The basic salary is paid at the end of a month. It is reviewed by the Supervisory Board at regular intervals and adjusted in future contracts if necessary. The members of the Executive Board also received a 13th monthly salary. The basic salary and the 13th monthly salary are part of the fixed remuneration of the Executive Board. The 13 basic salaries collectively make up the fixed annual remuneration.

b. Benefits in kind and other additional benefits

Furthermore, each member of the Executive Board can be granted additional benefits. These include the usual benefits in kind provided by a company, such as the use of a company car, standard subsidies towards insurance and the assumption of other standard costs, including inclusion in a D&O insurance policy by Viscom AG with a deductible for the member of the Executive Board in accordance with the German Stock Corporation Act.

Viscom AG provides the members of its Executive Board with a company car, also for private use, with a maximum gross list price of EUR 130,000. Furthermore, Viscom AG covers the costs of telecommunications and the expenses incurred by members of the Executive Board in conjunction with their work.

c. Life insurance

Viscom AG takes out life insurance for the members of its Executive Board in the form of direct insurance. The members of the Executive Board receive the premium payments for this life insurance in addition to their fixed salary.

d. Performance-based remuneration (bonuses)

The performance-based remuneration of the Executive Board consists of an overall annual performance-based bonus. The overall bonus consists of Bonus I and Bonus II. It is capped at 100% of fixed annual remuneration and is dependent on the achievement of various factors.

Bonus I is a short-term bonus with an assessment period of one year. Bonus I is

assessed on the basis of purely commercial factors (consolidated EBIT for the respective year). This remuneration thus helps to promote a successful business strategy, which is reflected in particular by successful consolidated earnings.

Bonus I is a long-term bonus. It is also paid annually, but has an assessment period of three years. Bonus II relates to both commercial (consolidated EBIT for the past three years) as well as social (employee turnover) and environmental goals (energy consumption). The long-term assessment basis for Bonus II ensures that there is an incentive for more than just a short-term positive performance by the company. In addition to the expression of a successful business strategy in EBIT, including low employee turnover and reductions in energy consumption relative to revenue, specific strategic goals that seek to achieve a forward-looking, long-term and sustainably positive performance by the company are rewarded.

The individual components are broken down below:

(1) Bonus I

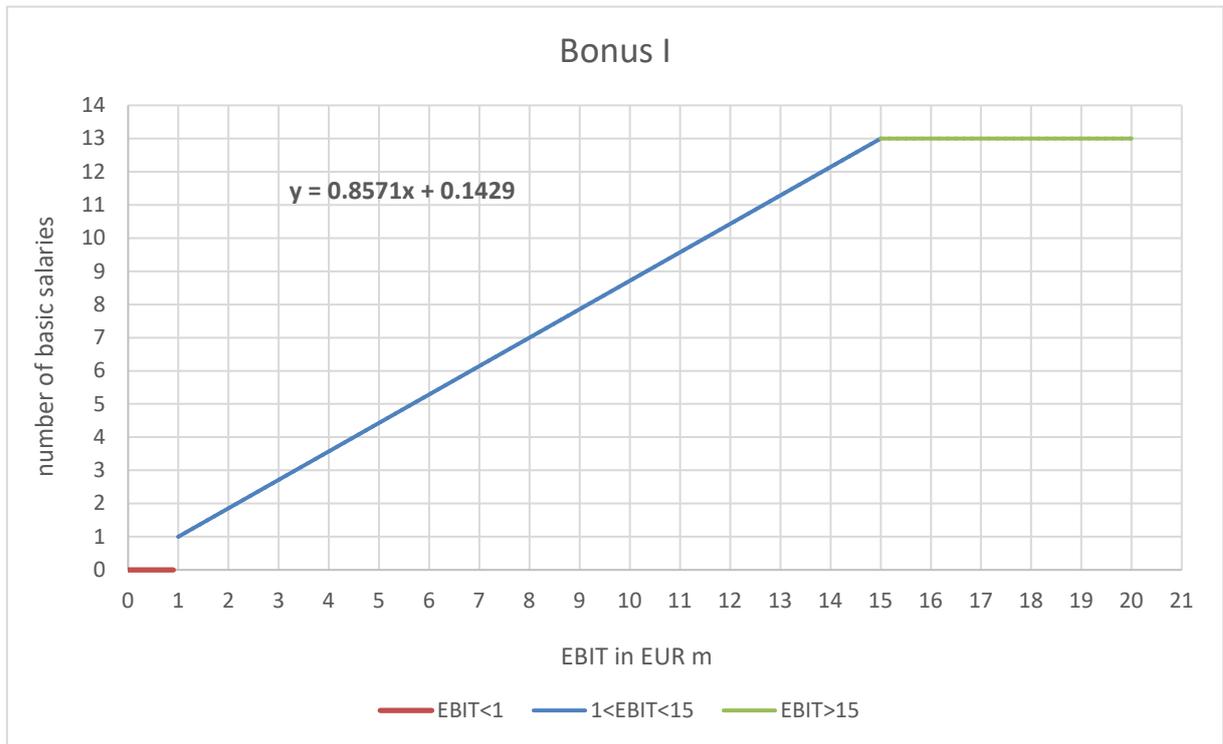
The amount of Bonus I is based on consolidated earnings. Bonus I is calculated using the values for the year from which the entitlement to Bonus I is derived. This period is referred to as Assessment Period I.

Bonus I is paid annually. Its amount can vary between one and 13 basic salaries. The exact amount of Bonus I is dependent on the consolidated earnings before interest and taxes (EBIT) achieved in the respective Assessment Period I. If this is EUR 1 million, the member of the Executive Board receives one basic salary. If EBIT amounts to EUR 15 million or more, the member of the Executive Board receives 13 additional basic salaries. If EBIT is less than EUR 1 million, there is no entitlement to Bonus I.

Bonus I is calculated on a straight-line basis. Therefore, if EBIT is between EUR 1 million and EUR 15 million, Bonus I is calculated as follows:

$$\text{Number of basic salaries} = 0.8571 \times \text{EBIT in EUR m} + 0.1429$$

This is illustrated by the following diagram:



The values on achieving a full million are as follows (rounded):

EBIT	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	18	20
As- sess- ment basis	0	1	1.9	2.7	3.6	4.4	5.3	6.1	7	7.9	8.7	9.6	10.4	11.3	12.1	13	13	13

Even if a full million is not achieved, the number of basic salaries that the member of the Executive Board receives as Bonus I still increases on a straight-line basis.

(2) Bonus II

The amount of Bonus I is based on consolidated earnings, employee turnover and energy consumption. Bonus I is calculated using the values for the three years prior to payment. This period is referred to as Assessment Period II.

Bonus II is paid annually. Its amount can vary between one and 13 basic salaries.

Bonus II consists of the following three components:

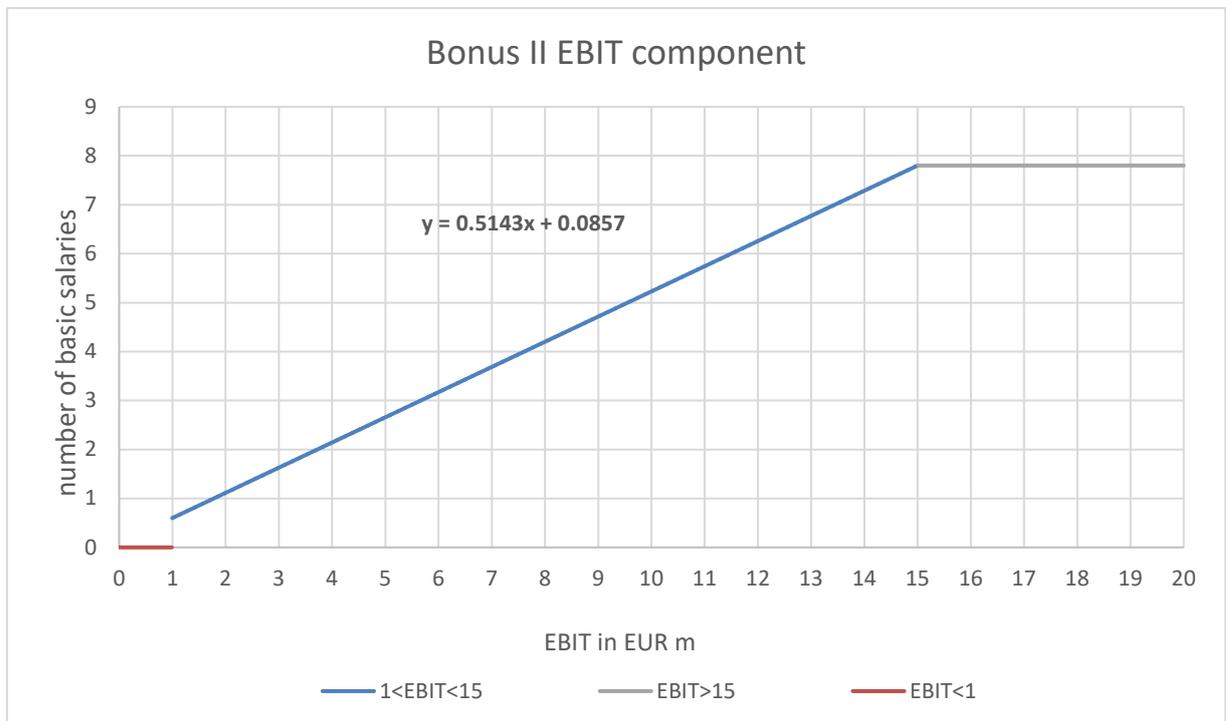
(a) EBIT component

The EBIT component of Bonus II is paid annually. Its amount can vary between 0.6 and 7.8 basic salaries. The exact amount of the EBIT component of Bonus II is dependent on the average consolidated earnings before interest and taxes (EBIT) achieved in the respective Assessment Period II (the last three years prior to payment). If this is EUR 1 million, the member of the Executive Board receives 0.6 basic salaries. If EBIT amounts to EUR 15 million or more, the member of the Executive Board receives 7.8 basic salaries. If EBIT is less than EUR 1 million, there is no entitlement to the EBIT component of Bonus I. There is also no entitlement to the EBIT component of Bonus II if EBIT was negative in the past financial year. This does not alter the fact that an entitlement to the EBIT component of Bonus II can still arise for subsequent years of EBIT greater than zero is achieved again.

Bonus II is calculated on a straight-line basis. Therefore, if EBIT is between EUR 1 million and EUR 15 million, Bonus I is calculated as follows:

$$\text{Number of basic salaries} = 0.5143 \times \text{EBIT in EUR m} + 0.0857$$

This is illustrated by the following diagram:



The values on achieving a full million are as follows (rounded):

EBIT	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	20	25
Assessment basis	0	0.6	1.1	1.6	2.1	2.7	3.2	3.7	4.2	4.7	5.2	5.7	6.3	6.8	7.3	7.8	7.8	7.8

Even if a full million is not achieved, the number of basic salaries that the member of the Executive Board receives as the Bonus II EBIT component still increases on a straight-line basis.

The assessment basis is the average EBIT achieved in Assessment Period II.

(b) Bonus II social component

Another component of Bonus II is the social component. The social component is also paid annually and is determined based on a three-year assessment period.

Regardless of whether there is an entitlement to the EBIT component of Bonus II, the member of the Executive Board can receive a Bonus II social component of up to 20% of fixed annual remuneration. This is equivalent to 2.6 basic salaries.

To receive this component, employee turnover throughout the company must not exceed 10% in Assessment Period II.

Turnover is calculated using the following formula:

$$100 - \left(\frac{\text{End value}}{\text{Output value}} * 100 \right) = \text{Fluctuation value in \%}$$

The Supervisory Board determines the initial and final values as follows:

- The initial value is the total number of employees of Viscom AG and its subsidiaries in accordance with sections 15 et seq. AktG at the start of Assessment Period II, i.e. three years previously.
- The final value is the total number of employees of Viscom AG and its subsidiaries in accordance with sections 15 et seq. AktG who were already employed by Viscom AG or an affiliated company at the start of Assessment Period II and still employed on the last day of Assessment Period II, plus the number of employees who have left the company due to retirement during the assessment period.

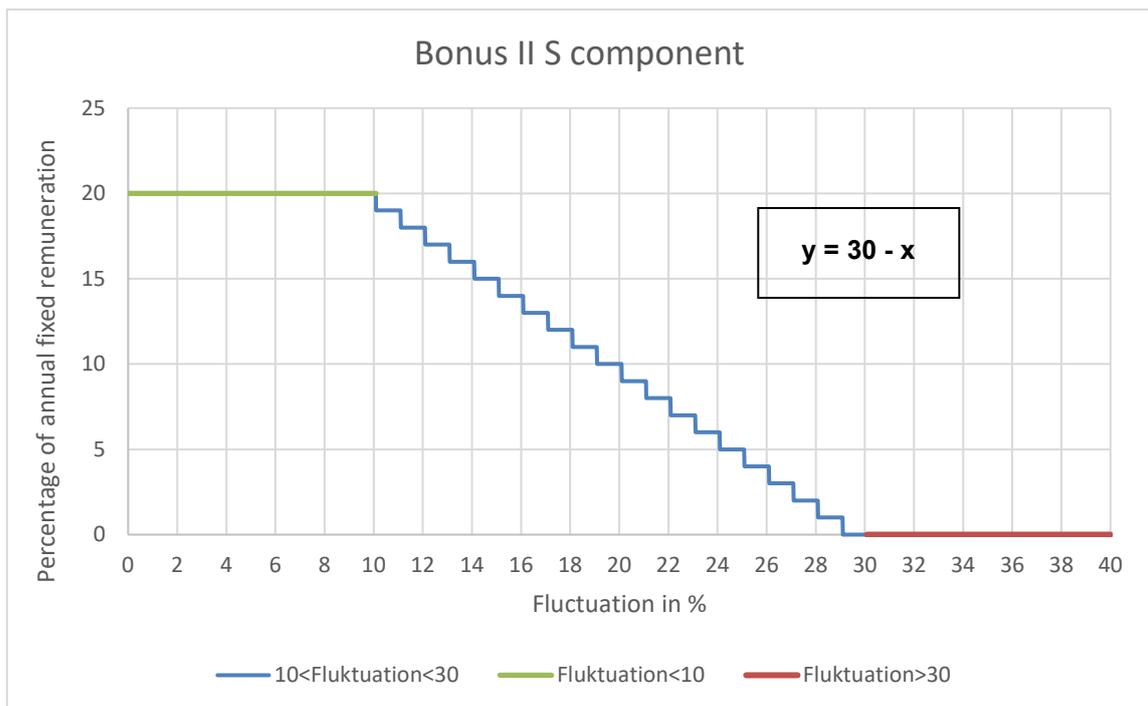
The exact value for the social component is calculated as follows:

- If the turnover figure is equal to or less than 10%, the social component of Bonus II is 20% of fixed annual remuneration.
- For a turnover figure upwards of 10.1%, the social component declines on a straight-line basis by 1% of fixed annual remuneration per percentage point commenced.
- If the turnover figure for the respective Assessment Period II is more than 30%, there is no entitlement to a social component.

If the turnover figure is between 10% and 30%, the social component is calculated as follows:

Percentage share of fixed annual remuneration =
30 - turnover figure in %

This is illustrated by the following diagram:



The values on achieving a full percentage point are as follows:

Social value	0	5	10	11	12	13	14	15	16	17	18	19	20
Assessment basis	20	20	20	19	18	17	16	15	14	13	12	11	10

Social value	21	22	23	24	25	26	27	28	29	30	35	40
Assessment basis	9	8	7	6	5	4	3	2	1	0	0	0

(c) Bonus II environmental component

Another component of Bonus II is the environmental component. The environmental component is also paid annually and is determined based on a three-year assessment period.

Regardless of whether there is an entitlement to the EBIT component or social component of Bonus II, the member of the Executive Board can receive a Bonus II environmental component of up to 20% of fixed annual remuneration. This is equivalent to 2.6 basic salaries.

To receive this **component**, Viscom AG's relative energy consumption must have been reduced by between 1% and 5% in Assessment Period II. To determine the reduction of relative energy consumption, the relative energy consumption of the first year of Assessment Period II is compared against the relative energy consumption of the third year of Assessment Period II.

The relative energy consumption is measured using the following formula:

$$\frac{\text{absolute electricity reference value in kWh}}{\text{revenue in k EUR}} = \text{relative energy consumption}$$

In order to calculate the relative energy consumption, the absolute electricity benchmark is calculated in kWh as follows:

- The absolute electricity benchmark is the externally sourced electricity of all businesses and business units of Viscom AG in the year in question, as presented in the non-commercial annual report, adjusted for the following factors:
 - The company's electricity consumption relating to the use of electric company cars is deducted from the absolute electricity benchmark.
 - To clarify, the absolute electricity benchmark is calculated from externally sourced electricity. The electricity consumed that was produced by power generation facilities owned by the company (e.g. photovoltaic systems) does not increase the absolute electricity consumption.

Revenue is equal to the total revenue of the Group, as stated in the consolidated financial statements for the respective year.

The environmental component is calculated on a straight-line basis. The exact value for the environmental component is calculated as follows:

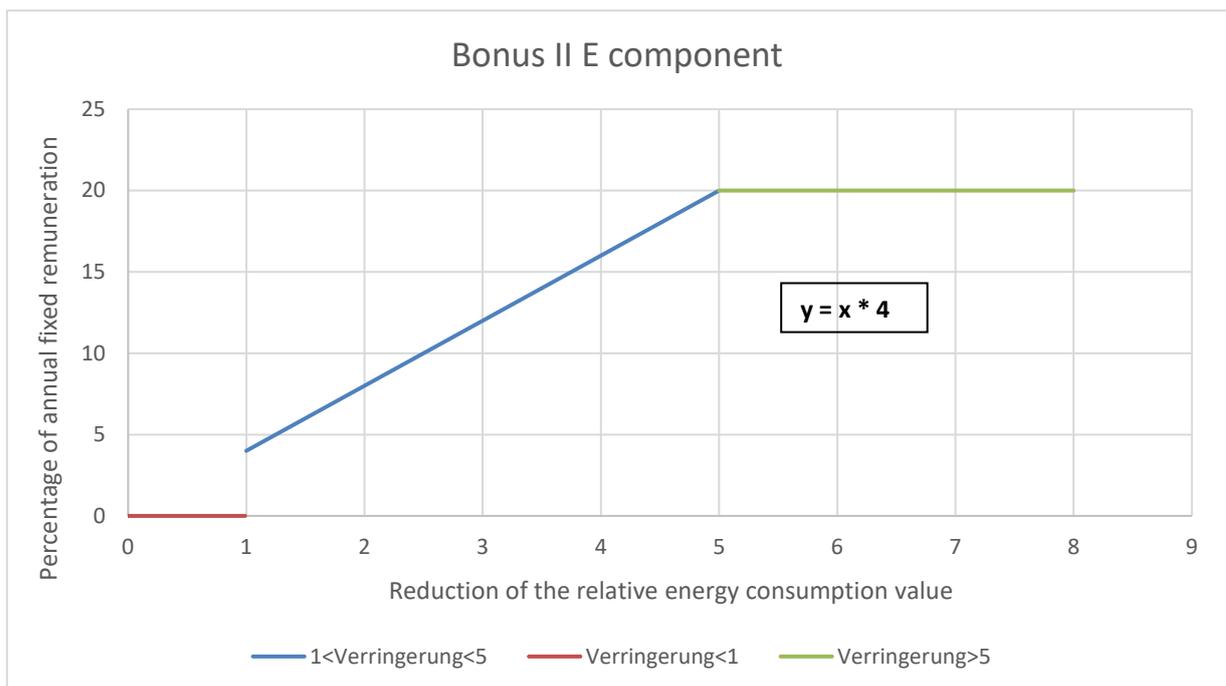
- If the reduction in relative energy consumption as against the first year of the respective Assessment Period II is 1%, the member of the Executive Board receives an environmental component of 4% of fixed annual remuneration.
- If the reduction in relative energy consumption as against the first year of the respective Assessment Period II is 5%, the member of the Executive Board receives an environmental component of 20% of fixed annual remuneration.

- If the relative energy consumption is reduced by less than 1% in Assessment Period II or if relative energy consumption increases, there is no entitlement to the environmental component of Bonus II.

If the relative energy consumption is between 1% and 5%, the environmental component is calculated as follows:

**Percentage share of fixed annual remuneration =
reduction in relative energy consumption in % x 4**

This is illustrated by the following diagram:



The values on achieving a full percentage point are as follows:

Envi- ronmen- tal compo- nent	0	1	2	3	4	5	6	8
Assess- ment basis	0	4	8	12	16	20	20	20

Even if a full percentage point is not achieved, the percentage share of fixed annual remuneration that the member of the Executive Board receives as the Bonus II environmental component still increases on a straight-line basis.

(3) Retention and claw-back clause

To ensure that the members of the Executive Board adhere to the internal and statutory standards of corporate governance, in the event of a severe breach of duty on the part of the Executive Board, Viscom AG has retention and claw-back rights on the variable, performance-based components of remuneration. The exercise of these rights is at the discretion of the Supervisory Board.

a. Retention

In the event of severe and substantial breaches of statutory duties or the company's compliance policies committed by a member of the Executive Board, Viscom AG is authorised to reduce any entitlement that has arisen to Bonus I or II for the respective assessment period (Assessment Period I or II), in full or in part, and to withhold the corresponding amount. The entitlement is cancelled retroactively in the corresponding amount. The exercise of the right to reduce and retain remuneration is at the due discretion of the Supervisory Board.

b. Claw-back

In the event of severe and substantial breaches of statutory duties or the company's compliance policies committed by a member of the Executive Board, the

company is authorised to demand that the member of the Executive Board returns variable remuneration components (Bonus I or II including any increases) paid for the respective Assessment Period I or II, in full or in part. A single breach of duty can therefore lead to multiple Bonus II payments being clawed back. The exercise of claw-back rights is at the due discretion of the Supervisory Board. Evidence of the damage caused by the misconduct of the member of the Executive Board is not necessary. The claw-back option still applies if the office or contract with the Executive Board has already ended at the time of the claw-back right. The member of the Executive Board cannot claim that they no longer possess the excess remuneration granted. Claw-back is possible up to two years after payment. This does not affect claims to damages against the member of the Executive Board.

3. Remuneration caps

In total, i.e. including bonuses, the members of the Executive Board can receive a maximum of 200% of their contractually agreed fixed annual remuneration, plus additional benefits. This is expressly stated in their contracts.

Based on the above presentation, the member of the Executive Board can therefore receive the following amounts:

- Fixed annual remuneration of EUR 208 thousand
- Additional benefits
- Direct insurance
- Bonus I of EUR 208 thousand
- Bonus II of EUR 208 thousand

The specific amount can vary between different members of the Executive Board.

If Bonus I and Bonus II together exceed the amount of EUR 208 thousand (the amount of fixed annual remuneration), this will be reduced. Therefore, Bonus I and Bonus II together cannot exceed the amount of fixed annual remuneration.

The relative share of the remuneration components in total remuneration (i.e. fixed remuneration, Bonus I and Bonus II) on achieving the maximum amount is as follows (to improve clarity, the additional benefits and direct insurance are not shown below; their share of remuneration typically amounts to around 2% to 3%):

Remuneration component		Relative share of total remuneration on achieving the maximum amount (without additional benefits)
Fixed remuneration (without additional benefits)		50%
Variable remuneration		50%
	Bonus I	0% to 50%
	Bonus II – EBIT component	0% to 30%
	Bonus II – Social component	0% to 10%
	Bonus II – Environmental component	0% to 10%
Total		100%

Please refer to section 1. for information on the amounts of remuneration caps.

4. Termination benefits

a. Severance

No later than six months before the end of the term of office, the Supervisory Board will notify the member of the Executive Board whether and, if so under which circumstances, their appointment as a member of the Executive Board and their contract is to be renewed.

If the Supervisory Board does not notify the member of the Executive Board in good time in the event of their contract not being renewed beyond the current term of office, the member will be entitled to severance that becomes due at the end of their contract.

The amount of severance is one twelfth of the annual fixed remuneration (13 basic salaries) for every month commenced by which the Supervisory Board's notification is late. However, severance cannot exceed a maximum of six twelfths of an annual salary.

b. Leave of absence

In the event of the termination of a member of the Executive Board's appointment as a member or as the chairman of the Executive Board for cause in accordance with section 84(2) AktG or their resignation, the company can release the member of the Executive Board from their work obligations effective immediately with continued pay. In such event, the member of the Executive Board will not be entitled to the payment of variable remuneration for the period after being placed on leave (Bonus I and Bonus II). The statutory regulations apply if the contract is validly cancelled for cause in accordance with section 626 BGB. This means that the member will no longer be entitled to remuneration from the date of contract termination (pro rata, if necessary).

c. Non-compete compensation

All members of the Executive Board are subject to a post-contractual, non-competition clause lasting two years from the termination of their contract, unless the member of the Executive Board reaches the age of 65 during this period.

For the duration of the post-contractual, non-competition clause, Viscom AG is required to pay the member of the Executive Board compensation in the amount of half of the contractual benefits most recently received by the member of the Executive Board for each year of the non-competition period.

The payment of the compensation for each year is due in twelve equal monthly instalments at the end of each month. Other payments made by Viscom AG to the member of the Executive Board, such as a transitional allowance or severance pay, count towards this compensation.

Also, income that the member of the Executive Board earns, or refrains from earning, from other employment, either self-employed or as an employee or otherwise, during the non-competition period also count towards this compensation, to the extent that the compensation, including said income, exceeds the amount of the

contractual benefits most recently received. This income also includes any unemployment benefits received by the member of the Executive Board. On request, the member of the Executive Board is required to inform the company of the amount of their income and to provide evidence of this.

Viscom AG can dispense with the non-competition clause with notice of one year.

5. Comparison of the previous and new remuneration system for the Executive Board

The previous remuneration system for the Executive Board also contained performance-based variable remuneration that related solely to the achievement of certain earnings figures, i.e. Viscom AG's consolidated EBIT.

The new remuneration system has amended the long-term bonus (i.e. the LTI) such that factors other than commercial ones affect the calculation of the amount of variable remuneration. The incorporation of ESG targets is consistent with various recommendations from the literature and the currently prevailing developments on the stock market, as institutional investors especially are increasingly focusing on whether social or environmental factors, in addition to commercial factors, form the basis for Executive Board remuneration. The Supervisory Board welcomes this development and is of the opinion that the incorporation of ESG targets in remuneration is also in the interests of the company.

The new remuneration system implements these ideas in that Bonus II is not solely based on commercial results, but relates also to other factors for the achievement of the full bonus. The new target factors for Bonus II are therefore low employee turnover, as the social element, and the reduction of externally sourced electricity consumption, as the environmental element.

In a sense, both target factors also perform a dual function. If they are fulfilled, or at least partially fulfilled, a social and environmental effect can thus be achieved. The achievement of targets also has a positive effect on consolidated earnings.

The new claw-back clause likewise added to the remuneration system is intended to ensure that bonuses not yet paid can be retained or even claimed back in the event that severe breaches of duty are not identified until a later date. Furthermore, this provides an incentive to abide by internal (compliance) policies on the one

hand and the applicable laws on the other, to ensure that the members of the Executive Board continue to act in line with the law and that Viscom AG will not be exposed to future claims for damages on the basis of misconduct by members of the Executive Board.

Other components of the remuneration system for the Executive Board have essentially been retained.

6. Procedures for adopting, implementing and reviewing the remuneration system

The Supervisory Board devises and resolves the remuneration system in accordance with the statutory provisions and in compliance with the recommendations of the German Corporate Governance Code (unless the company explicitly declares a deviation from the Code). The remuneration model is reviewed by the Supervisory Board on an ongoing basis, and in particular when expired Executive Board contracts have to be renewed or renegotiated. In doing so, the Supervisory Board pays particular attention to the appropriateness of remuneration, compared to similar companies on the one hand and, within the company, compared to the remuneration of senior management and the workforce as a whole on the other. If an adjustment of the remuneration system appears necessary, the Supervisory Board as a whole adopts a resolution on this and the new system will be put to the Annual General Meeting for its approval if altered significantly or at least every four years. If the remuneration system is not approved by the Annual General Meeting, the Supervisory Board must put a revised remuneration system to the vote no later than the next Annual General Meeting. It must be amended if, in connection with forthcoming personnel decisions, in particular when new Executive Board contracts have to be signed or renewed, it emerges that changes are necessary to attract or retain suitable candidates.

If the Supervisory Board consults an external remuneration expert to help develop the remuneration system and to assess the appropriateness of remuneration, it must be ensured that this expert is independent of the Executive Board and the company. In accordance with section 87a(2) sentence 2 AktG, the Supervisory Board can temporarily deviate from the remuneration system if this is necessary in the interests of the long-term wellbeing of the company. This can be the case, for example, in the event of extraordinary, unforeseeable developments.

A deviation from the remuneration system is only possible based on a corresponding resolution by the Supervisory Board following a careful examination of its necessity. The components of the remuneration system that can be deviated from under the above circumstances are the procedure, the remuneration structure, the individual remuneration components, their proportions to each other and their performance criteria, and maximum remuneration. Furthermore, in such event the Supervisory Board can temporarily grant additional remuneration components or replace individual remuneration components with other remuneration components, to the extent that this is necessary to restore the appropriateness of Executive Board remuneration in the specific situation.

Compliance with statutory regulations and the recommendations of the German Corporate Governance Code on the independence of the members of the Supervisory Board and the disclosure of conflicts of interest ensure that the members of the Supervisory Board are guided solely by the company's interests when making decisions on remuneration and the remuneration system, and not by personal or third-party interests. In particular, more than half of the members of the Supervisory Board are independent of the Executive Board and the company, conflicts of interest on the part of a member of the Supervisory Board must be disclosed to the Chairman immediately and the Supervisory Board reports on any conflicts of interest annually in its report to the Annual General Meeting.

The Supervisory Board determines the remuneration of the members of the Executive Board in accordance with a remuneration system put to the Annual General Meeting for its approval. In determining the remuneration, in particular the basic salary, the Supervisory Board takes into account the remuneration and working conditions of employees in addition to the duties of the member of the Executive Board, the situation of the company and market developments. The Supervisory Board considers the remuneration, and its development over time, of both the first management level below the Executive Board and the workforce as a whole. If the Supervisory Board resolves to increase Executive Board remuneration, it must specifically weigh and compare the development of pay for the above groups and the planned increase in Executive Board remuneration in its discussions. The remuneration system does not stipulate a strict numeric ratio. The working conditions of employees are also indirectly taken into account in remuneration through the social component of Bonus II.