Remuneration Policy for the Members of the Management Board of Österreichische Post AG (Austrian Post) 2024

Dear shareholders!

Österreichische Post AG (Austrian Post) has been publicly traded on the Vienna Stock Exchange since May 2006. The Company fulfils all principles of responsible business management in line with good corporate governance, which is oriented to the sustainable creation of value and transparency towards shareholders and other stakeholders.

Following the entry into force of the Austrian Stock Corporation Amendment Act 2019 (AktRÄG) and the associated amendments to the Austrian Stock Corporation Act (Sections 78a to 78e AktG), listed companies are obliged to submit a remuneration policy for Management Board and Supervisory Board remuneration to the Annual General Meeting at least every four years. Accordingly, the Remuneration Policy for the Management Board of Österreichische Post AG was put to the vote for the first time at the Annual General Meeting on 17 June 2020 and passed with 99.95 % approval.

The following explanations describe a revised Remuneration Policy of Österreichische Post AG and present the remuneration system with its fixed and variable components. Subject to the approval of the Annual General Meeting, this Remuneration Policy applies retroactively from 1 January 2024.

The revision focussed on anchoring ESG targets in the long-term component of the variable Management Board remuneration. In addition, there are selective adjustments regarding the definition of the financial target criteria and their weighting, the target achievement corridors and the maximum remuneration.

The objective of the Supervisory Board is to be able to offer the members of the Management Board a remuneration package which is both customary on the marketplace and competitive at the same time. The remuneration system should create incentives to actively pursue the Group strategy and ensure the long-term positive development of the Company. These efforts are promoted by structuring the various remuneration components and especially by specifying criteria for the variable salary components in line with the Company's strategic orientation.

We are convinced that the remuneration for the Management Board based on the three-pillar model with its fixed and variable components ensures a performance-oriented and market-based salary.

Elisabeth Stadler m.p.
Chair of the Supervisory Board

1. Introduction

In accordance with Section 78a of the Austrian Stock Corporation Act (AktG), the Supervisory Board of publicly listed companies has to define a remuneration policy for the members of the Management Board and Supervisory Board. The Supervisory Board of Österreichische Post AG delegated the task of developing a remuneration policy and preparing it for adoption to the Remuneration Committee. Subsequently, it resolved upon the Remuneration Policy for the Management Board described below on 12 March 2024 and to present it to the Annual General Meeting for its approval. In line with the stipulations prescribed by corporate law, the Remuneration Policy is to be presented to the Annual General Meeting on 18 April 2024.

The policy is reviewed in regular intervals and must be presented again to the Annual General Meeting in cases of significant changes, but in any case, in every fourth financial year. As part of last year's review of the Remuneration Policy, both market practice and feedback from investors were taken into account with the involvement of an external consultant and incorporated into the revised Remuneration Policy 2024. Subject to approval by the Annual General Meeting, the Remuneration Policy 2024 will apply to all current, newly appointed and reappointed members of the Management Board from 1 January 2024.

The Remuneration Policy is oriented to legal regulations, the stipulations contained in the Austrian Corporate Governance Code and the demands of different interest groups, especially those of shareholders. The Remuneration Committee decides on the selection and commissioning of external advice regarding the Remuneration Policy. In this way, a conflict of interest in the design of the Remuneration Policy is prevented.

The implementation of the remuneration principles takes place via the annual specification of short-term and long-term targets and upper limits (caps) as well as the assessment of target achievement.

A detailed presentation of the implementation of the Remuneration Policy can be found in the annual Remuneration Report, which has been presented annually to the Annual General Meeting for approval since 2021.

2. Principles and objectives

The following principles apply to the remuneration of the Management Board:

- Implementation of the Group strategy: The specification of the performance criteria is to occur in accordance with the Group's business strategy. The targets take account of the strategy, the business model and positioning of the Company.
- Linking remuneration and performance: The variable performance-related components should comprise a disproportionate share of the total remuneration and include ambitious targets in the performance criteria.
- The variable remuneration is to embed sustainability of the performance and shareholder interests: A major part of the variable remuneration should take into account long-term performance and reflect the development of the Post share as well as non-financial indicators and components.

Österreichische Post AG has been publicly listed on the Vienna Stock Exchange since May 2006 and stands for a clear positioning on the capital market as a dividend stock. This positioning is based on a solid business model, an attractive dividend policy as well as a strong balance sheet and a solid cash flow. The Company has consistently fulfilled this promise since its IPO, also in challenging times.

The Company's targets are derived from the integrated corporate and sustainability strategy. Österreichische Post AG's strategy, which was updated in 2020, is based on three strategic cornerstones:

- Defending market leadership and profitability in the core business
- Profitable growth in near markets
- Development of retail and digital offerings for private customers and SMEs

At the centre of the integrated corporate and sustainability strategy is a strategic guideline that expresses our integrative view of our core business: Österreichische Post AG acts in a customer-oriented, sustainable manner and embraces diversity. Accordingly, the three strategic areas of sustainability "Economy & Customers", "Environment & Climate" and "People & Social" were defined and anchored in the 2030 Sustainability Master Plan with ambitious goals and associated measures.

The three strategic cornerstones as well as the three dimensions of sustainability are fully taken into account in the variable remuneration of the Management Board. Combining the corporate strategy and sustainability strategy ensures that the profitable and sustainable development of the Company is in the interests of all stakeholders.

The Remuneration Policy promotes these efforts by specifying remuneration components and, in particular, by defining criteria for the variable remuneration in accordance with the corporate targets. Furthermore, the structure of the Remuneration Policy should prevent members from taking unreasonable risks.

Changes to the previous Remuneration Policy

The following comparison illustrates the aspects in which revisions were made.

Areas of Revision	Remuneration Policy 2020	Remuneration Policy 2024
Structure of the variable remuneration components in the target remuneration		
Shares of the variable remuneration	Short-Term Incentive 44-56 %	Short-Term Incentive 30-45 %
	Long-Term Incentive 44-56 %	Long-Term Incentive 55-70 %
Embedding ESG targets in the variable remuneration and reducing bandwidth of the modifier		
Short-Term Incentive	Modifier bandwidth 0.7 to 1.3	Modifier bandwidth 0.8 to 1.2
	ESG targets in the modifier	ESG targets in the modifier with a weighting of >50 %
Long-Term Incentive	Financial targets 100 %	Financial targets 67-80 %
		ESG targets with a weighting of 20-33 %
Definition of financial target criteria in the variable remuneration		
Short-Term Incentive	Two financial targets: Revenue EBIT	Two to three financial targets: Revenue EBIT Optional: Cash flow or margin-based key figure
	Weighting 50 % each	Weighting 20-60 % each
Long-Term Incentive	Three financial targets: Earnings per share Operating free cash flow Relative total shareholder return	Two to three financial targets: Earnings per share Operating free cash flow Optional: Relative total shareholder return or strategic target
	Weighting ⅓ each	Weighting 15-40 % each
	Annual targets weighted at 20 %/20 %/60 % over a three-year performance period	Target defined as total over three-year performance period
Target achievement corridor		
Long-Term Incentive	Maximum value at 200 % Threshold value at 50 %	Maximum value at 200 % Threshold value at 0 %
Maximum remuneration		
Salary caps for a financial year	Sum of maximum achievable remuneration components limited by additional cap	Adaptation of the maximum achievable remuneration components, total cap no longer necessary

The following considerations were decisive for these changes to the Remuneration Policy 2020:

The remuneration structure will have an even stronger long-term focus. Specifically, the variable remuneration will now be structured in such a way that around 30-45 % is measured in the short term (STI) and around 55-70 % in the long term (LTI).

The introduction of ESG targets in the long-term variable remuneration strengthens the alignment of the performance criteria of the Management Board remuneration with the corporate and sustainability strategy of Österreichische Post AG. ESG targets are to be taken into account with more than 50 % in the STI modifier and with a weighting of 20-33 % in the LTI.

Furthermore, the bandwidth of the modifier in the Short-Term Incentive is reduced to 0.8 to 1.2. This adjustment is in line with standard market practice and takes investors’ expectations into account.

When defining the financial indicators, the Short-Term Incentive should provide the option of adding a third relevant key figure as a target in addition to revenue and EBIT. In the Long-Term Incentive, the number of financial criteria is set at two to three (in any case earnings per share and operating free cash flow).

In addition, the introduction of bandwidths for the weighting of the financial targets in the variable remuneration components (20-60% in the STI and 15-40% in the LTI) offers the Remuneration Committee more flexibility in setting the annual targets. This means that current framework conditions and the necessary management tasks can be better taken into account.

In the revised Remuneration Policy, the calculation of target achievement in the LTI was also adjusted. In order to strengthen the long-term orientation and reduce complexity, annual interim targets and their measurement are no longer defined. Instead, a target is defined for the entire performance period and target achievement is determined at the end of the performance period.

The maximum remuneration is defined in the Remuneration Policy 2024 as the sum of the caps on the individual remuneration components (basic salary + 150% STI + 200% LTI). Individually defined amounts for the maximum remuneration for a financial year that are below the sum of the individual upper limits of the remuneration components are no longer required. This ensures a high incentive to over-fulfil the variable remuneration components.

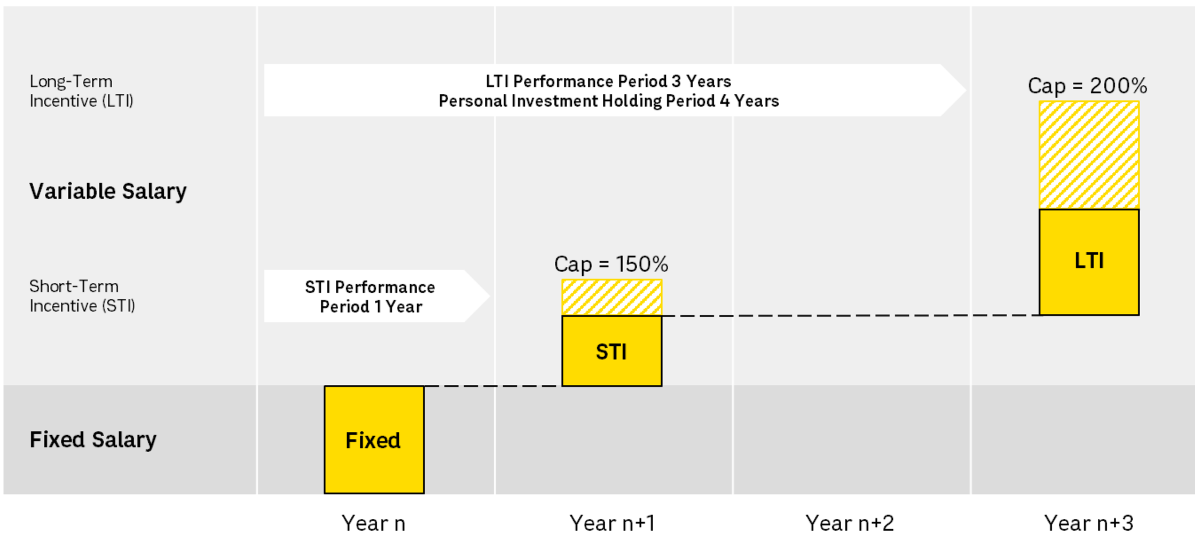
3. Structure of Management Board remuneration

As described above, the structure of the remuneration system for the Management Board of Österreichische Post AG and amounts paid were discussed in detail in the Remuneration Committee in the 2023 financial year and also subjected to an external review. Taking into account the size, complexity and economic situation of the Company, the outcome of the review confirmed the appropriateness and market conformity of the level of remuneration of the Management Board. With regard to the remuneration system, in particular the variable remuneration elements, a revision of selected parameters was recommended. These adjustments were approved by the Remuneration Committee in the interests of further development and are taken into account in this Remuneration Policy 2024 (see page 3 "Changes to the previous Remuneration Policy").

The structure of the Remuneration Policy and the determination of individual remuneration is in line with legal regulations. The objective of the Supervisory Board is to be able to offer the Management Board members a remuneration package which is both customary on the marketplace and competitive at the same time. A competitive remuneration should enable the Company to attract and retain highly qualified managers and motivate them to manage the Company in the best interests of all stakeholders.

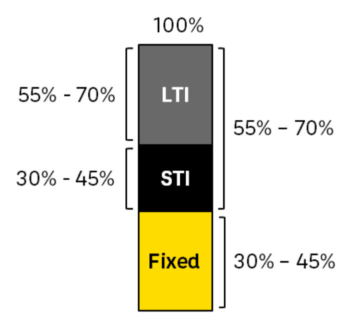
The remuneration of the Management Board is based on fixed components (basic salary, contributions to a pension fund and fringe benefits) along with variable salary components, which in turn consist of a short-term and a long-term component, namely the Short-Term Incentive (STI) and Long-Term Incentive (LTI).

Remuneration system of the Management Board of Österreichische Post AG



The components of the target remuneration in relation to each other is as follows: The majority of the target remuneration (= at 100% target achievement) consists of the performance-related variable remuneration elements (Short-Term Incentive and Long-Term Incentive). While fixed remuneration can make up 30-45% of the total remuneration, the variable components account for 55-70% of the remuneration. The variable remuneration is designed to be as long-term as possible, with 30-45% measured in the short term (STI) and 55-70% measured in the long term (LTI).

Range of target remuneration



3.1 Fixed remuneration

Basic salary

The fixed basic salary takes into account the range of duties and responsibilities assumed by each of the members of the Management Board, as well as the duration of the term of office on the Management Board. In addition, the salary is linked to the salary structure of publicly listed Austrian companies as well as comparable international publicly listed corporations. For this purpose, a benchmark covering the 20 ATX companies in Austria, the 50 medium-sized comparable MDAX companies in Germany as well as further 15 European logistics companies is also taken into account.

Benefits in kind

Management Board members are given a car of an appropriate size and configuration as well as the services of a chauffeur for both business and private purposes for the duration of their term of office on the Management Board. Furthermore, Management Board members are reimbursed for the costs of a telephone connection/mobile telephone for business and private purposes.

Insurance

The Management Board members are entitled to accident insurance for the duration of their term of office on the Management Board. This accident insurance provides them with additional insurance coverage in the event of death and in case of invalidity, whether they are on-duty or off-duty. Furthermore, the Management Board members have the possibility to participate in a management group health insurance scheme.

Pension fund contributions

All members of the Management Board have concluded an external pension fund agreement in accordance with the stipulations contained in the Austrian regulation on specimen contracts under which Österreichische Post AG is required to pay 10% of the individual's fixed annual gross salary into the pension fund each year.

3.2 Variable remuneration

The variable remuneration consists of two elements: the Short-Term Incentive with a one-year performance period as well as the Long-Term Incentive with a three-year performance period and a four-year holding period for the personal investment. The combination of a short-term and long-term observation period creates an incentive in business management to achieve a balanced relationship between short-term and long-term interests. The stronger weighting of long-term variable remuneration ensures that the remuneration structure is geared towards the sustainable and long-term development of Österreichische Post AG in line with stipulations prescribed by corporate law. At the same time, the continued significant weighting of the annual bonus (STI) ensures that important operational annual targets are not neglected.

The targets for the variable remuneration components agreed upon with the Management Board members are consistent with the Group strategy, sustainable corporate development and the interests of all stakeholders. For this reason, the performance criteria consist of both financial and non-financial aspects.

ESG targets are embedded in both the STI and the LTI and are selected annually from the Post ESG criteria catalogue. The Post ESG criteria catalogue is derived from the 2030 Sustainability Master Plan, which defines goals and measures from the three strategic areas of sustainability "Economy & Customers", "Environment & Climate" and "People & Social". The chart below shows the current Post ESG criteria catalogue, which may be amended depending on future strategic prioritisation.

Post ESG criteria catalogue

Economy & Customers	Environment & Climate	People & Social
Customer Satisfaction	Climate Change - CO_2 Emissions and Adaptation Measures	Corporate Culture
Quality of Service	Resource Consumption	Occupational Safety
Reliability of Supply	Energy Efficiency	Occupational Health
Sustainable Procurement / Supply Chain	Electric Vehicles	Data Protection and Data Security
Human Rights	Non-Fossil Fuels	Employee Satisfaction
Reporting and ESG Ratings	Renewable Energies (PV Systems, Wind Power)	Diversity and Inclusion
Governance and Compliance	Recycling and Environmental Management	Employer Attractiveness (Recommendation)
Increase in Value and Innovations of the Company	Circular Economy	Social Engagement

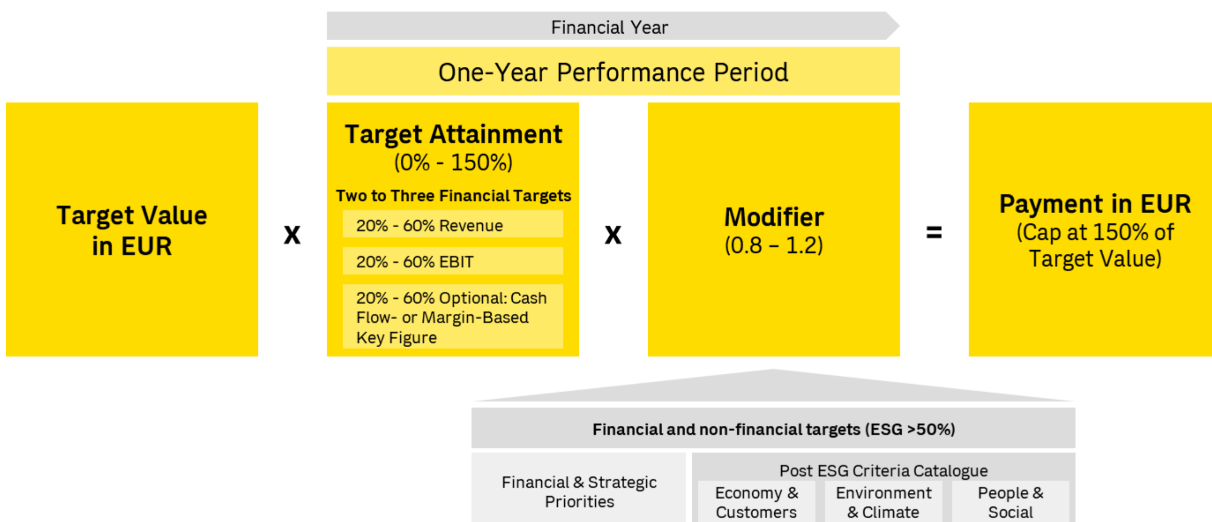
The programmes for variable remuneration are reissued annually. The Remuneration Committee of the Supervisory Board is responsible for the specification of indicators, criteria and target values within the context of the schemes described below. The target agreement is identical for all Management Board members. This is designed to ensure the performance of the Management Board in its entirety as a corporate body.

Short-Term Incentive (STI)

The STI is a variable remuneration with a one-year performance period. The STI is calculated based on the contractually defined individual bonus at 100% target achievement (target value). This value is multiplied by the degree of target attainment for the financial targets (in the range of 0% to 150%) as well as a modifier (with a maximum range of 0.8 - 1.2). The actual amount paid out is limited to 150% of the contractually defined target value.

The following illustration provides an overview of the STI.

Description of the Short-Term Incentive Programme of Österreichische Post AG



Performance indicators of the Short-Term Incentive

The annual variable remuneration is linked to a large extent to short-term, measurable performance indicators and also encompasses the achievement of qualitative performance targets. Both financial and non-financial criteria are taken into account in the performance indicators and target attainment components.

Strategically relevant performance indicators are used to determine the two to three financial targets. In accordance with the strategic objectives and the overall management of the Group, the key figures of revenue and EBIT are used in any case. If applicable, the Remuneration Committee may also add a third key figure based on cash flow or margins.

By using revenue as the basis, the aim is to safeguard market leadership in the core business and ensure growth in selected markets. EBIT takes into account the success of the operational business. The indicators used in each case are weighted at 20-60%.

The 100% target as well as the threshold and maximum values for the financial targets are defined by the Remuneration Committee of the Supervisory Board annually and take account of corporate planning and, if applicable, special effects and the historical development of the performance indicators. The maximum target attainment for the financial targets is set at up to 150% of the respective target value.

The modifier is a multiplier that can impact the target achievement value by no more than +/-20%. In addition to selected financial and strategic priorities, the modifier includes key ESG targets that are overweighted in total (>50%). The modifier establishes a direct link to the integrated corporate and sustainability strategy with the three dimensions of sustainability "Economy & Customers", "Environment & Climate" and "People & Social". These dimensions are included in the Post ESG criteria catalogue, from which the Remuneration Committee derives focal points each year at the beginning of the financial year. Individual target parameters of the modifier are therefore selected by the Remuneration Committee from the financial and strategic priorities and more than 50% from the Post ESG criteria catalogue described above.

If the target achievement of the financial targets already amounts to 150%, the modifier cannot lead to any further increase in the amount paid.

Determining target achievement

Determining of the level of target achievement takes place every year as a follow-up to ascertaining the Group earnings of Österreichische Post AG. The necessary documents are sent to the auditor in order to determine the level of target achievement within the context of auditing the respective annual financial statements and consolidated financial statements.

The auditor confirms the level of target attainment. The target achievement and relevant amounts paid out are subsequently resolved upon by the Remuneration Committee. Payment is made in cash.

The target achievement for financial targets of the STI is measured on the basis of the target achievement curves defined for the performance criteria. Specific values are defined for 50%, 100% and 150% of target attainment for each target achievement curve. If the level of target achievement is between these values, a linear interpolation takes place. If the level of target achievement is under 50%, the target achievement for this indicator is considered to be zero. The maximum level of target achievement is limited to 150%.

Measurable criteria are also defined for the non-financial targets in the modifier, which show clear target achievement after the end of the financial year through a target/actual comparison. The assessment of the targets specified in the STI modifier is derived from the evaluation carried out by the Remuneration Committee, which is summarised and documented in a report. The modifier is 1.0 for 100% target achievement and can vary depending on whether the performance in the described aspects has exceeded or failed to meet expectations.

Long-Term Incentive (LTI)

The underlying objective of the LTI programme is to align the interests of company management with those of Österreichische Post AG shareholders and to create an incentive for a long-term increase in shareholder value in the interest of the capital market positioning of the Company. The methodology of this programme strengthens this objective by the required personal investment of the Management Board members in shares of the Company, the long level of retention and the positive share price relation from the beginning to the end of the programme after three years.

The LTI programme is a share-based variable remuneration with a three-year performance period.

The starting point for the LTI are Performance Share Units (PSU), which are calculated based on the contractually agreed target value divided by the start reference share price (average share price in the quarter preceding the three-year programme term Q4 of FY_{n-1}). The target value is contractually defined individually for each Management Board member.

The incentive in the form of the final number of PSU is calculated using the number of PSU at the start of the programme multiplied by the level of target achievement, which is possible in the range between 0% and 200%. The end reference share price at the end of the three-year performance period plus the dividend per share paid during the performance period is used to determine the amount paid out. The maximum LTI is 200% of the contractually agreed target value.

The following illustration provides an overview of the LTI.

Description of the Long-Term Incentive Programme of Österreichische Post AG

Performance indicators of the Long-Term Incentive

The target criteria used for the LTI are designed to optimally take into account of the long-term increase in the Company's value. Österreichische Post AG already clearly positioned itself as a dividend stock at the time of its IPO in the year 2006. Since then, the dividend policy has been based on distributing a dividend equalling at least 75% of the Group net profit (earnings per share).

The target criteria are two to three financial targets and one ESG target. In accordance with the description above, Österreichische Post AG uses the following important capital market-related control parameters: The financial targets used in any case are earnings per share as the basis for the dividend policy and operating free cash flow as the basis for the ability to pay dividends. These indicators reflect the key drivers of the Company's value development as well as the ability to invest and pay dividends and are therefore of key importance for the long-term Group management of Österreichische Post AG. As a third target the relative total shareholder return (e.g. EURO STOXX Total Market Industrial Transportation index) or a strategic target (e.g. market share) can be used.

The ESG target is made up of a maximum of three topics from the Post ESG criteria catalogue, which are defined annually by the Remuneration Committee for the respective LTI programme.

The financial indicators used in each case are weighted at 15-40% and the ESG target at 20-33%. The targets are defined as a total over the three-year observation period. Performance is measured at the end of the three-year performance period.

The 100% targets as well as the threshold and maximum values for the criteria are defined by the Remuneration Committee of the Supervisory Board for the respective LTI programme each year and take account of medium-term corporate planning, if applicable, special effects and the historical development of performance indicators as well as current market developments. The maximum target attainment for the performance criteria is set at 200% of the target value.

Determining target achievement

Determining the level of target achievement takes place as a follow-up to ascertaining the Group earnings of Österreichische Post AG. The necessary documents are sent to the auditor in order to determine the level of target achievement within the context of auditing the respective annual financial statements and consolidated financial statements.

The auditor confirms the level of target attainment. The level of target achievement and relevant amounts paid out are subsequently resolved upon by the Remuneration Committee once the share price for the defined period is available.

The target achievement for quantitative performance criteria of the LTI is measured on the basis of the target achievement curves defined for the performance criteria. Specific values are defined for 0%, 100% and 200% of target attainment for each target achievement curve. If the level of target achievement is between these values, a linear interpolation takes place. The maximum level of target achievement is limited to 200%.

With respect to payment of the bonus, the Company has the option of either paying the amount in cash or allocating shares corresponding to the designated amount. When it comes to payment in shares, it is necessary to fulfil all legal prerequisites under corporate law, establish the necessary framework and, if necessary, ensure the required resolutions to be passed by the Management Board of Österreichische Post AG.

Share purchase and holding obligation

The pre-requisite to participate in the Long-Term Incentive is a personal investment which has the following ratio to the basic salary: 80% for the Chair of the Management Board, 70% for the Deputy Chair of the Management Board and 60% for other members of the Management Board. The retention period for shares from the personal investment is four years: the three-year duration of the programme plus one additional year following the end of the Long-Term Incentive programme and thus beyond the date of departure from the Management Board of Österreichische Post AG.

3.3 Upper limits on remuneration elements and total remuneration

The remuneration system of Österreichische Post AG has caps in place for the performance-related variable remuneration components. As described above, the STI bonus payout is capped at 150% and the LTI bonus payout is capped at 200% of the target value defined in the individual contract of a Management Board member. This results in a maximum possible total remuneration for a financial year, which is made up of the sum of the basic remuneration, the STI with 150% target achievement and the LTI with 200% target achievement. The payment caps are contractually defined for each Management Board member as the maximum amount for total annual remuneration.

3.4 Consideration of employees in the Remuneration Policy

The remuneration principles applied to the Management Board are also used for employees, but in an adapted manner. The remuneration system for managers includes fixed and variable remuneration and, as part of the variable remuneration, the performance criteria and period sustainability that also apply to the Management Board.

The focus of the remuneration paid to employees of Österreichische Post AG is providing an appropriate and balanced remuneration reflecting the performance, competence and responsibility of the employee. For this reason, one of the most important priorities is to ensure transparent and market-oriented remuneration practices.

The remuneration and employment conditions of employees working for Österreichische Post AG are taken into account in defining the Remuneration Policy. On the one hand, the non-financial targets of the Management Board also include employee-oriented aspects based on the social issues of the Post ESG criteria catalogue, and on the other hand, employees participate in the achievement of corporate targets (EBIT bonus).

4. Other contractual stipulations

Every Management Board member is entitled to 36 working days (Monday - Saturday) of holiday in each calendar year, taking account of the demands imposed by business operations. Compensation for unused holiday at the time the employment relationship is terminated takes place in accordance with the currently valid version of the Austrian Paid Annual Leave Act. In the case of a premature termination of a Management Board mandate during the term of a valid employment contract (without an obligation to perform work), the Management Board member is required to consume unused holidays.

All members of the Management Board and Supervisory Board of Österreichische Post AG are insured within the framework of Directors and Officers Liability Insurance. The insurance covers judicial and extrajudicial protection against unfounded claims for damages as well as the settlement of such claims which may be considered as legally justified.

4.1 Malus and Clawback

In predefined cases, the Remuneration Committee of the Supervisory Board is authorised to reclaim variable remuneration components that have already been paid out in full or in part and to reduce variable remuneration components that have not yet been paid out in full or in part. This applies in the event that the financial situation or earnings of the Company substantially deteriorates to the extent that paying out the entire remuneration would be considered as unreasonable. In addition, the reduction or clawback provisions apply to all variable remuneration components if:

- it turns out that these remuneration components were paid or calculated on the basis of manifestly incorrect data, or
- the Management Board member participated in or was responsible for actions that led to significant unplanned losses, or
- the Management Board member is responsible for significant violations of the law that have created a concrete risk of a deterioration in the economic situation of the Company, or
- the Management Board member has in other cases violated the standard of care pursuant to Section 84 (1) AktG, e.g. by not complying with key internal regulations or the code of conduct or because of gross breach of duty and morality, whereby the Management Board member has created a concrete risk of a deterioration in the economic situation of the Company.

4.2 Contract period and termination

The customary duration of the employment contract is three years, with an extension option on the part of the Company for another two years. The decision of the Supervisory Board with respect to a possible contract extension has to be conveyed to the Management Board member in writing six months before expiration of the three-year employment contract.

In the case of a justifiable dismissal (gross breach of duty), the employment relationship can be terminated with immediate effect without the necessity to observe a notice period. In the case of no-fault dismissals for an important reason (incapacity to work, vote of no confidence by the Annual General Meeting or other equivalent reasons), the employment relationship can be terminated by the Company at the end of a calendar quarter by complying with a notice period of six months. However, the employment contract remains valid in the case of dismissal without good cause.

4.3 Termination indemnities

In the event that the employment contract is terminated, the members of the Management Board shall receive a severance payment in accordance with the provisions of the Company Employee and Self-Employed Pension Plan Act (BMSVG) as well as potential payments relating to unused holiday.

An agreement on severance payments concluded on the occasion of a premature termination of a Management Board mandate takes account of the underlying circumstances leading to the departure of the Management Board member and the economic situation of the Company.

Severance payments related to the premature termination of a Management Board mandate without good cause are limited to twice the value of the annual remuneration and amount to a maximum of the total remuneration for the remaining term of the employment contract. In the case of premature termination of the Management Board contract for good cause or in the case of a gross violation of duty, the Company is not required to pay any termination benefits.

The entitlement to payment of performance-related remuneration components with a long-term incentive effect (LTI) is measured on the basis of the conditions prevailing for the respective LTI programme. In the case of a justifiable dismissal ("bad leaver") of a Management Board member during the entire performance period of a tranche, the Management Board member has no entitlements relating to the LTI. In contrast, the entitlement to payment remains unaffected in the case of a "good leaver". The target value is paid on a pro rata basis in the event of a Management Board member leaving the Company in the first year of the respective LTI performance period, whereas this no longer takes place if the Management Board member leaves after the first year has passed.

5. Deviation from the Remuneration Policy

Under extraordinary circumstances, the Supervisory Board is authorised to deviate from the Remuneration Policy. Extraordinary circumstances are considered to be situations in which deviations from the Remuneration Policy are considered to be necessary for the long-term development of the Company or as a means to safeguard profitability. For example, this can be the case when unforeseen events take place or crisis-driven developments arise. The deviations should enable the Supervisory Board to react flexibly to such special circumstances.

In particular, exceptional circumstances are considered to be:

- Significant regulatory interventions and related, unplanned expenses or investments
- Far-reaching and unplanned personnel or organisational changes in the Management Board
- Other crisis-related developments (e.g. pandemics)

The Supervisory Board is entitled to deviate from individual or all components of the Remuneration Policy within the context of the existing remuneration logic and for the duration of these extraordinary circumstances. If necessary, it is also authorised to grant other remuneration components.

12 March 2024

Elisabeth Stadler m.p.
Chair of the Supervisory Board