

# Remuneration system for the Executive Board of GRAMMER Aktiengesellschaft

## 1. Revision of the remuneration system

At the end of 2025, the Supervisory Board of GRAMMER AG, together with the Personnel and Mediation Committee, fundamentally revised the remuneration system for the Executive Board. Considering current market practice and the shareholder structure, the focus was placed on creating a stronger link between Executive Board remuneration and the company strategy and the success of GRAMMER. Resulting in a clearer, performance-driven framework that emphasizes individual contribution in line with a consistent pay-for-performance philosophy.

Subject to submission to the 2026 Annual General Meeting, the revised remuneration system will be applicable for all Executive Board members retroactively as of January 1<sup>st</sup>, 2026.

The key priorities of the redesign include:

- Stronger alignment of the remuneration with the company strategy
- Greater flexibility in the setting of targets and their weightings
- Greater focus on the individual performance of Executive Board members
- Longer-term consideration of sustainability targets in line with our strategy

The following table provides an overview of the principal changes of the remuneration system 2026 compared to the remuneration system 2021:

Remuneration system 2021	Remuneration system 2026
<i>Remuneration structure: Adjustment of bandwidths</i>	
<ul style="list-style-type: none"> <li>• Fixed remuneration: 35%–40%</li> <li>• Ancillary benefits: 1%–4%</li> <li>• Retirement benefits: 8%–13%</li> <li>• STI: 18%–25%</li> <li>• LTI: 27%–35%</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed remuneration: 30%–50% <i>(incl. ancillary benefits und retirement benefits)</i></li> <li>• STI: 10%–40%</li> <li>• LTI: 25%–60%</li> </ul>
<i>Short-term incentive (STI): Adjustment of performance criteria</i>	
<ul style="list-style-type: none"> <li>• Financial performance criteria (80 %)               <ul style="list-style-type: none"> <li>• Net income, EBIT or EBT (determined annually by the Supervisory Board) (min. 20%)</li> <li>• Free cash flow (FCF) (min. 20%)</li> </ul> </li> <li>• Strategic and ESG goals e.g., compliance, environmental protection, economic stability and growth (20%)</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance criteria from the categories: profit/earnings, liquidity, liquidity efficiency or efficiency (80%–100%)</li> <li>• Individual performance criteria (0%–20%)</li> </ul>
<i>Long-term incentive (LTI): Adjustment of plan type and performance criteria</i>	
Performance Share Plan <ul style="list-style-type: none"> <li>• Total shareholder return (TSR) relative to the SDAX (50%)</li> <li>• ROCE (50%)</li> </ul>	Performance Cash Plan <ul style="list-style-type: none"> <li>• Financial performance criteria from the categories: profit/earnings, liquidity, efficiency or growth (80%–100%)</li> <li>• ESG goals (0%–20%)</li> </ul>
<i>Further provisions: Implementation of an extraordinary bonus</i>	
-	<ul style="list-style-type: none"> <li>• Possibility to grant an extraordinary bonus to incentivize the individual performance of members of the Executive Board or strategic success.</li> <li>• Cap: The sum of the STI payout amount and the extraordinary bonus is capped at 100% of the STI target amount..</li> </ul>

## 2. Principles of the remuneration system

The Executive Board's remuneration system provides an important control element and is geared towards achieving the key objectives defined in the corporate strategy. The financial and non-financial performance criteria of the remuneration system create incentives for successful and sustainable corporate growth and link the remuneration of the Executive Board to the Company's short-term and long-term sustainable development.

### 3. Procedures for establishing, implementing and reviewing the remuneration system

In accordance with section 87a (1) AktG, the Supervisory Board adopts a clear and comprehensible system for the remuneration of the members of the Executive Board. The remuneration system is submitted to the shareholders for approval at the Annual General Meeting after the Supervisory Board has passed a resolution adopting it. If the remuneration system is not approved, the Supervisory Board must submit a revised remuneration system to the shareholders for approval at the next Annual General Meeting at the latest. In addition, the Supervisory Board submits the remuneration system to the shareholders at the Annual General Meeting for approval in the event of any significant changes, however, at least once every four years.

### 4. Determination of specific target total remuneration and appropriateness of Executive Board remuneration

When determining the specific target total remuneration of the members of the Executive Board, the Supervisory Board ensures that it is commensurate with the responsibilities and performance of the respective members of the Executive Board and the Company's situation. It thereby complies with the requirements of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code. The target total remuneration is set at a level that ensures competitiveness in the market for highly qualified executives but does not exceed the customary remuneration in the absence of any special justification.

To ensure this, the Supervisory Board regularly reviews the target total remuneration of the members of the Executive Board of GRAMMER AG. External as well as internal comparisons are applied for this purpose: For this purpose, an external comparison is made with companies that are comparable in terms of size, country and sector. In addition, an internal comparison is used to assess the remuneration structure within GRAMMER AG. To this end, the remuneration of the Executive Board is compared with the two highest collective bargaining pay groups and the non-pay-scale employee remuneration, and the status quo of and changes in these ratios over time are analyzed.

## 5. The remuneration system at a glance

### 5.1 Components of the remuneration system

The following table presents the basic components of the remuneration system.

<b>Fixed components</b>	
<b>Fixed remuneration</b>	<ul style="list-style-type: none"><li>Contractually agreed fixed remuneration paid in twelve equal monthly installments</li></ul>
<b>Ancillary benefits</b>	<ul style="list-style-type: none"><li>Standard ancillary benefits (including company car and insurance cover)</li></ul>
<b>Retirement benefits</b>	<ul style="list-style-type: none"><li>Cash amount that can be used by the member of the Executive Board for private pension savings</li></ul>
<b>Variable components</b>	

---

### Short-term incentive (STI)

---

<b>Plan type</b>	<ul style="list-style-type: none"><li>• Annual target bonus plan</li></ul>
<b>Cap</b>	<ul style="list-style-type: none"><li>• 170% of the target amount</li></ul>
<b>Performance criteria</b>	<ul style="list-style-type: none"><li>• Financial performance criteria from the categories: profit/earnings, liquidity, liquidity efficiency or efficiency (80%–100%)</li><li>• Individual performance criteria (0%–20%)</li></ul>
<b>Payment</b>	<ul style="list-style-type: none"><li>• In cash after the end of the financial year</li></ul>

---

### Long-term incentive (LTI)

---

<b>Plan type</b>	<ul style="list-style-type: none"><li>• Performance cash plan</li></ul>
<b>Cap</b>	<ul style="list-style-type: none"><li>• 200% of the target amount</li></ul>
<b>Performance criteria</b>	<ul style="list-style-type: none"><li>• Financial performance criteria from the categories: profit/earnings, liquidity, efficiency or growth (80%–100%)</li><li>• ESG goals (0%–20%)</li></ul>
<b>Performance period</b>	<ul style="list-style-type: none"><li>• Four years</li></ul>
<b>Payment</b>	<ul style="list-style-type: none"><li>• In cash after a four-year performance period</li></ul>

---

### Further provisions

---

<b>Extraordinary bonus</b>	<ul style="list-style-type: none"><li>• Possibility to grant an extraordinary bonus to incentivize the individual performance of members of the Executive Board or strategic success.</li><li>• Cap: The sum of the STI payout amount and the extraordinary bonus is capped at 100% of the STI target amount.</li></ul>
<b>Maximum remuneration</b>	<ul style="list-style-type: none"><li>• EUR 2,700,000 for the Chairman of the Executive Board</li><li>• EUR 1,800,000 for the other members of the Executive Board</li></ul>
<b>Malus/claw-back</b>	<ul style="list-style-type: none"><li>• Possibility of reducing or reclaiming performance-related remuneration in the event of serious breaches of duty or misstatements in the consolidated financial statements</li></ul>
<b>Cap on termination benefits</b>	<ul style="list-style-type: none"><li>• Termination benefits may not exceed the value of two years' total remuneration</li></ul>

---

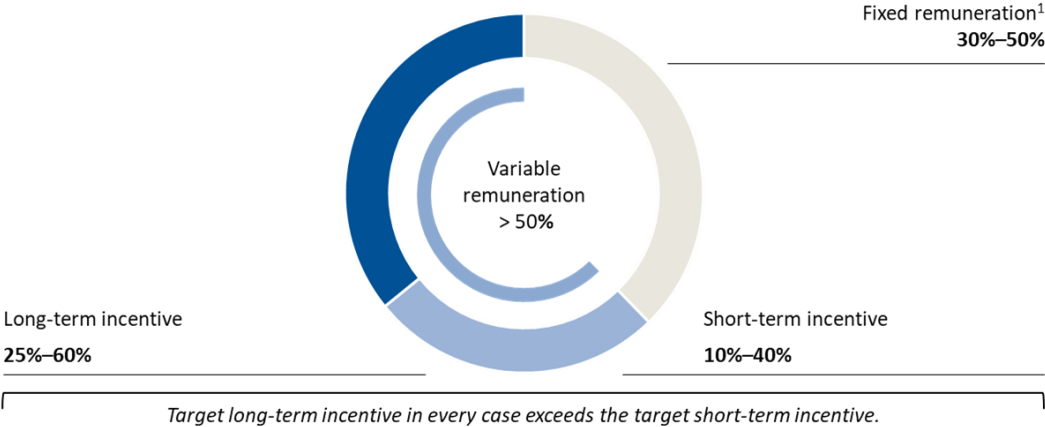
## 5.2 Remuneration structure

The target total remuneration of the members of the Executive Board consists of both fixed and variable components. In this context, a high proportion of the remuneration is performance-related, underlining the clear orientation to performance in the remuneration structure. The variable remuneration components comprise a short-term incentive (STI) and a long-term incentive (LTI). In every case, the target long-term incentive exceeds the target short-term incentive, meaning that based on the target remuneration the long-term performance criteria are always predominant in the variable remuneration.

The fixed remuneration (including retirement benefits and ancillary benefits) accounts for 30%–50% of the total target remuneration. The target STI amount accounts for 10%–40% of the

total target remuneration and LTI for 25%–60%. Furthermore, the Supervisory Board generally ensures that the variable remuneration components exceed the fixed remuneration components.

**Remuneration structure (at target, 100% target achievement)**



<sup>1</sup> Including ancillary benefits and retirement benefits.

**5.3 Maximum total remuneration**

Appropriate remuneration for members of the Executive Board is ensured by two types of caps: Firstly, a maximum cap of 170% on the STI and 200% on the LTI relative to the respective target amount is set for the variable components.

Secondly, pursuant to section 87a (1) sentence 2 No. 1 AktG, the Supervisory Board has defined maximum remuneration which caps the total amount of remuneration paid out for a given financial year irrespective of the date of payment. The maximum remuneration amounts to EUR 2,700,000 for the Chairman of the Executive Board and EUR 1,800,000 for the other members of the Executive Board.

**6. Remuneration components in detail**

**6.1 Fixed components**

**6.1.1 Fixed remuneration**

The fixed remuneration is paid in twelve equal monthly installments less any statutory deductions in arrears at the end of each month.

**6.1.2 Ancillary benefits**

The members of the Executive Board receive the standard ancillary benefits (e.g. provision of a company car, which may also be used for private purposes, and standard insurance benefits).

In individual cases, the Supervisory Board has the option of granting new members of the Executive Board a one-time payment when they take up office. This allows a new member of the Executive Board to be compensated for occasion-specific costs (e.g., relocation) as well as any loss of remuneration already granted by the former employer that is forfeited upon joining GRAMMER. In this way, the Supervisory Board ensures that it retains the necessary flexibility in finding the best possible candidates. Such a one-time payment upon taking office

may result in a deviation from the relative proportions of the remuneration specified under 5.2. in the respective financial year. In this case, the limitation by the maximum remuneration pursuant to Section 87a AktG remains effective.

**6.1.3 Company pension scheme**

The members of the Executive Board of GRAMMER AG receive payments towards retirement benefits. This cash amount can be used by the members of the Executive Board for private pension savings. There is no company-funded pension plan.

**6.2 Variable components**

**6.2.1 Short-term incentive (STI)**

6.2.1.1 Basic features of the STI

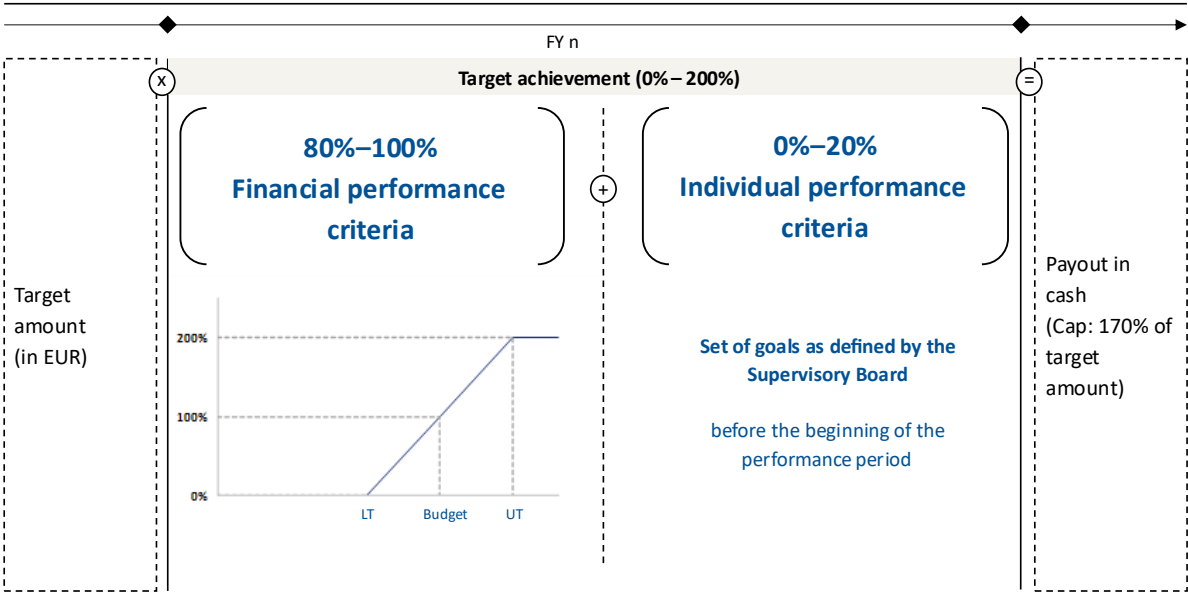
The short-term incentive is structured as a target bonus system and includes financial performance criteria with a weighting of 80%–100%. With a weighting of up to 20%, the STI can as well include individual performance criteria. The financial performance criteria are derived directly from the corporate strategy and account for the Company’s profitability, liquidity and efficiency. In addition, the individual performance of the Executive Board member can be taken into account through the individual performance criteria.

The weighting between financial performance criteria and individual targets of the short-term incentive is determined by the Supervisory Board annually before the beginning of the relevant performance period.

Target achievement of between 0% and 200% applies to all performance criteria. However, the final payout is capped at 170% of the STI target amount.

The basis for STI payments is the STI target amount specified in the service contracts, which is multiplied by the overall target achievement of the financial as well as individual performance criteria. The STI payment is made in cash.

**Design of the STI**



In determining target achievement, the Supervisory Board may take significant extraordinary effects or developments into account. Such effects or developments may, for example, include changes in accounting or the scope of consolidation and the occurrence of significant special

effects and/or extraordinary developments within the meaning of section 87 (1) 2nd half of sentence 3 AktG.

6.2.1.2 STI financial performance criteria

The financial performance criteria of the STI contribute to the overall target achievement of the STI with a weighting of 80%–100%.

Before the start of each performance period the Supervisory Board selects at least two financial criteria from four possible categories and determines their weightings. A weighting of 0%–70% is possible per category.

**Catalogue: Financial criteria (STI)**

Profit/earnings	Liquidity	Liquidity Efficiency	Efficiency
<ul style="list-style-type: none"> <li>• Net Income</li> <li>• EBIT</li> <li>• EBT</li> <li>• Operating EBIT</li> </ul>	<ul style="list-style-type: none"> <li>• Gearing ratio</li> </ul>	<ul style="list-style-type: none"> <li>• Free Cash Flow / Revenue</li> <li>• Net Debt / Free Cash Flow</li> </ul>	<ul style="list-style-type: none"> <li>• ROCE</li> <li>• Net Income / Revenue</li> <li>• EBIT / Revenue</li> <li>• EBT / Revenue</li> <li>• Operatives EBIT / Revenue</li> </ul>

The relevant values for all financial performance criteria are those approved by the Supervisory Board and reported in the annual financial statements or, where applicable, the company’s management report.

The respective annual target is derived from the budget. In addition, the Supervisory Board sets a lower and upper limit at the beginning of the performance period for target achievement of the performance criteria for that performance period. Target achievement is deemed to be 100% if the respective budget figure is reached. The maximum target achievement of 200% is reached when the respective financial performance criterion reaches or exceeds the upper limit. If the applicable financial performance criterion equals or is less than the lower limit, target achievement is deemed to be 0%. Target achievement between the lower limit and the target value as well as the upper limit is calculated by linear interpolation.

The target and threshold values set by the Supervisory Board for the respective performance period, the actual values, the resulting target achievement and payout amounts, as well as possible adjustments due to extraordinary effects or developments are published retrospectively in the remuneration report for each financial performance criterion.

If changes to the key performance indicators arise as a result of IFRS 18, the Supervisory Board is entitled to replace the above-mentioned financial performance criteria with the analogous performance criteria newly defined by IFRS 18.

6.2.1.3 STI individual performance criteria

The Supervisory Board has the option to include individual performance criteria in the STI with a weighting of up to 20%. For each member of the Executive Board, they are set for the relevant performance period. Identical performance criteria may be set for several or all Executive Board members. The specific selection, number, and weightings of the individual performance criteria are determined by the Supervisory Board before the start of the relevant performance period.

As with the financial performance criteria, a target, a lower and upper limit, as well as a target achievement curve are defined in each case at the beginning of the performance period as a basis for determining target achievement of the performance criteria. Target achievement of 100% is deemed to have been reached when the defined target is achieved. The maximum

target achievement of 200% is deemed to have been reached when the applicable individual performance criterion equals or exceeds the upper limit. If the applicable individual performance criterion equals or is less than the lower limit, target achievement is deemed to be 0%. Target achievement between the lower limit and the target value as well as the upper limit is calculated by linear interpolation. Alternatively, individual targets may be assessed at the discretion of the Supervisory Board.

The target and threshold values set by the Supervisory Board for the respective performance period, the actual values, the resulting target achievement and payout amounts, as well as possible adjustments due to extraordinary effects or developments are published retrospectively in the remuneration report for each individual performance criterion.

In case of extraordinary events or developments, the company is entitled to adjust the conditions of the STI at its reasonable discretion. Extraordinary events or developments may be, for example, an acquisition or a divestiture of a company or of parts of a company or of equity interests in companies, a merger of the company with another company, changes in the legal and/or regulatory framework, or material changes in accounting and valuation methods,.

**6.2.2 Long-term Incentive (LTI)**

**6.2.2.1 Basic features of the LTI**

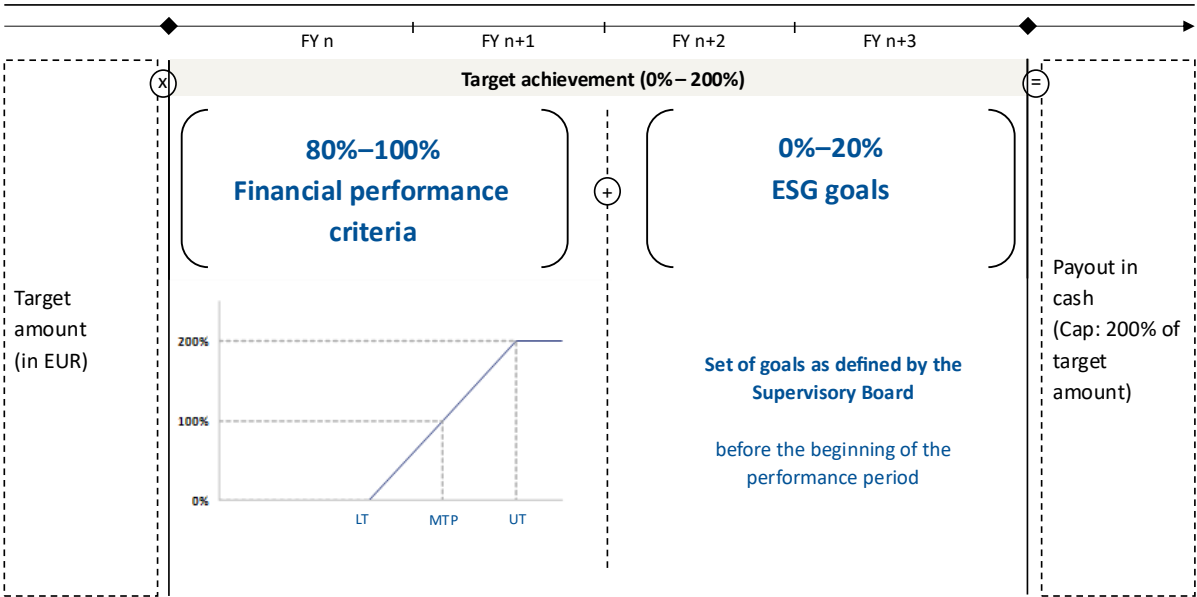
The long-term incentive is designed as a performance cash plan and, in addition to financial performance criteria with a weighting of 80%–100%, also includes ESG goals of up to 20%.

With a performance period of four years, the LTI is geared towards the long-term development of GRAMMER AG.

A target achievement of between 0% and 200% can be achieved for all performance criteria. The final payout amount is capped at 200% of the LTI target amount.

The basis for LTI payments is the LTI target amount specified in the service contracts, which is multiplied by the overall target achievement of the financial performance criteria and ESG goals after the end of the four-year performance period. The LTI payment is made in cash.

**Design of the LTI (Performance Cash Plan)**



In determining target achievement, the Supervisory Board has the option of taking into account significant extraordinary effects or developments. Such effects or developments may, for

example, include changes in accounting or the scope of consolidation and the occurrence of significant special effects and/or extraordinary developments within the meaning of section 87 (1) 2nd half of sentence 3 AktG.

6.2.2.2 LTI financial performance criterion

The LTI financial performance criteria contribute with a weighting of 80%–100% to the overall target achievement of the LTI.

Before the start of each performance period, the Supervisory Board selects at least two financial criteria from four possible categories and determines their weightings. A weighting of 0%–70% is possible for each category.

**Catalogue: Financial criteria (LTI)**

Profit/earnings	Liquidity	Efficiency	Growth
<ul style="list-style-type: none"> <li>• Net Income</li> <li>• EBIT</li> <li>• EBT</li> <li>• Operating EBIT</li> </ul>	<ul style="list-style-type: none"> <li>• Free Cash Flow</li> <li>• Gearing ratio</li> </ul>	<ul style="list-style-type: none"> <li>• ROCE</li> <li>• Net Income / Revenue</li> <li>• Free Cash Flow / Revenue</li> <li>• EBIT / Revenue</li> <li>• EBT / Revenue</li> <li>• Operatives EBIT / Revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue</li> </ul>

The relevant values for all financial performance criteria are those approved by the Supervisory Board and reported in the annual financial statements or, where applicable, the company’s management report.

For each financial performance criterion an average over the performance period is calculated. To this end, the actual values of the performance criterion for each financial year throughout the performance period are added together and the sum is then divided by four.

The respective targets for each financial performance criterion are derived from the mid-term planning. In addition, the Supervisory Board sets a lower and upper limit at the beginning of the performance period for target achievement of the performance criteria for the respective performance period. Target achievement is deemed to be 100% if the respective target value is reached. The maximum target achievement of 200% is reached when the respective financial performance criterion reaches or exceeds the upper limit. If the applicable financial performance criterion equals or is less than the lower limit, target achievement is deemed to be 0%. Target achievement between the lower limit and the target value as well as the upper limit is calculated by linear interpolation.

The target and threshold values set by the Supervisory Board for the respective performance period, the actual values, the resulting target achievement and payout amounts, as well as possible adjustments due to extraordinary effects or developments are published retrospectively in the remuneration report for each financial performance criterion.

If changes to the key performance indicators arise as a result of IFRS 18, the Supervisory Board is entitled to replace the above-mentioned financial performance criteria with the analogous performance criteria newly defined by IFRS 18.

6.2.2.3 ESG goals

Before the beginning of the performance period, ESG goals for each tranche are selected by the Supervisory Board from a catalogue of criteria derived from the materiality analysis used in the sustainability reporting.

The catalogue of criteria for the ESG goals includes compliance, responsible procurement, social commitment, environmental protection, product and process responsibility, employees and technology and engineering. Specific targets are defined on the basis of these criteria, e.g., the reduction of CO2 emissions as part of environmental protection. The number and weighting of the individual goals is determined annually before the beginning of the performance period by the Supervisory Board.

As with the financial performance criteria, a target, a lower and upper limit, as well as a target achievement curve are defined in each case at the beginning of the performance period as a basis for determining target achievement of the ESG goals. Target achievement of 100% is deemed to have been reached when the defined ESG goal is achieved. The maximum target achievement of 200% is deemed to have been reached when the applicable ESG goal equals or exceeds the upper limit. If the applicable ESG goal equals or is less than the lower limit, target achievement is deemed to be 0%. Target achievement between the lower limit and the target value as well as the upper limit is calculated by linear interpolation. Alternatively, specific ESG goals may be assessed at the discretion of the Supervisory Board.

The target and threshold values set by the Supervisory Board for the performance period, the actual values, the resulting target achievement, as well as possible adjustments due to extraordinary effects or developments are published retrospectively in the remuneration report for each ESG goal.

In case of extraordinary events or developments, the company is entitled to adjust the conditions of the STI at its reasonable discretion. Extraordinary events or developments may be, for example, an acquisition or a divestiture of a company or of parts of a company or of equity interests in companies, a merger of the company with another company, changes in the legal and/or regulatory framework, or material changes in accounting and valuation methods.

### **6.3 Extraordinary bonus**

The Supervisory Board may grant an extraordinary bonus to the members of the Executive Board. This constitutes an additional, occasion-specific- resp. target-related remuneration element that is linked to the achievement of selected individual and/or strategic performance criteria.

If an extraordinary bonus is granted, the Supervisory Board determines the relevant performance criteria and their relative weightings, as well as the applicable target and threshold values at the beginning of the performance period.

The defined performance criteria, including target and threshold values, as well as the actual values and the resulting target achievement will be disclosed retrospectively in the remuneration report when an extraordinary bonus is granted.

The sum of the STI payout amount and the extraordinary bonus is capped at 100% of the STI target amount.

### **6.4 Malus and claw-back**

In certain cases, the Supervisory Board may reduce the variable remuneration components that have not yet been paid (malus) or reclaim variable remuneration components that have already been paid (claw-back).

In the event of a significant breach of duty or a compliance violation on the part of a member of the Executive Board, the Supervisory Board may reduce the variable remuneration components (STI or LTI) in part or in full at its due discretion (malus). If variable remuneration

components have already been paid, the Supervisory Board may in such cases also demand partial or full repayment of the variable remuneration amounts received (claw-back).

If variable remuneration components are determined or paid on the basis of objectively incorrect data, e.g. misstatements in the consolidated financial statements, the Supervisory Board may, in the exercise of its duty-bound discretion, correct the determination or reclaim the variable remuneration components in part or in full.

This does not prejudice the Executive Board member's potential liability towards the Company for damages under section 93 (2) AktG.

## **7. Remuneration-related legal transactions**

### **7.1 Contract term and termination options**

The Executive Board service contracts are entered into for the applicable term of appointment, which is usually three years. There is no provision for ordinary termination. However, this does not prejudice either party's right of termination for good cause (section 626 of the German Civil Code (BGB)).

### **7.2 Arrangements for persons appointed to the Executive Board during the year**

If a member of the Executive Board enters or leaves GRAMMER AG's service during the current financial year, the target total remuneration for the applicable financial year (including STI and LTI) is reduced accordingly on a time-proportionate basis.

## **7.3 Arrangements in the event of premature termination of the service contract**

### **7.3.1 Termination benefits**

In the event of the premature termination of the service contract with a member of the Executive Board other than for good cause, payments to members of the Executive Board may not exceed the value of two years' worth of total remuneration and may not exceed the total remuneration for the remaining term of the service contract. The total annual remuneration as defined above comprises the fixed remuneration, the STI, the LTI and the payment towards retirement benefits. If the service contract is terminated for good cause for reasons for which the member of the Executive Board is responsible, no payments are made to him or her.

### **7.3.2 Incapacity and death/ suspension of appointment**

In the event of incapacity due to illness or accident, the member of the Executive Board concerned receives fixed remuneration for a further nine months while the executive position continues. If the member of the Executive Board is entitled to illness-related benefits from third parties (e.g. sick pay), the claims are reduced accordingly. In the event of protracted incapacity over more than six months, the target STI and LTI amounts are reduced on a time-proportionate basis.

In the event of the death of a member of the Executive Board, the surviving dependents (spouse and dependent children) continue to receive the fixed remuneration for the month of death (time-proportionate) as well as for a further period of six months starting at the end of the month of death as joint creditors.

In the event of a revocation of the appointment with commitment of re-appointment pursuant to Section 84 (3) AktG, the service contract shall be suspended until the time of re-appointment. During the suspension of the service agreement, the member of the Executive Board shall not receive any remuneration, unless individually agreed otherwise.

### **7.3.3 Variable remuneration in the event of premature termination of the service contract**

In the event of premature termination of the service contract, any outstanding variable remuneration components attributable to the period up until the date of termination of the contract are paid on the basis of the originally agreed performance criteria and targets on the due dates specified above. There is no early payout.

All entitlement accruing under outstanding LTI tranches lapse without any remuneration if the service contract is terminated by the Company before the end of the performance period for good cause for which the member of the Executive Board concerned is responsible, his or her appointment is revoked due to gross breach of duty or he or she steps down other than for good cause and without the Company's consent. Notwithstanding this, all outstanding LTI tranches are settled immediately at the agreed targets (100% target achievement) and paid to the member of the Executive Board or his or her heirs if the service contract lapses due to disability or the death of the member of the Executive Board.

### **7.4 Secondary activities of the members of the Executive Board**

The members of the Executive Board undertake to devote all their resources, experience and knowledge to the Company and its affiliates.

At the request of the Supervisory Board or the Executive Board, the member of the Executive Board is obliged to accept mandates at Group companies and in associations of which the Company is a member without any separate remuneration. If the member of the Executive Board receives any payment for holding such mandate, it will be offset against his or her remuneration. At the request of the Supervisory Board or the Executive Board, but no later than upon termination of the service contract – or in the event of early release from service, at the time of such release – the member of the Executive Board is obliged to resign from all offices which he or she has assumed by virtue of or in connection with his or her activities. Any paid or unpaid secondary activity by a member of the Executive Board requires the Supervisory Board's prior written consent. This does not apply to unpaid private secondary activities that do not affect the Company's interests.

The acceptance of public offices or mandates on supervisory boards, administrative boards, advisory boards and comparable bodies outside the Group as well as appointments to business or scientific bodies require the Supervisory Board's prior written consent. The Supervisory Board will decide on whether any payments received for the acceptance of such external offices are to be deducted from the remuneration.

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

In special and exceptional circumstances, the Supervisory Board may temporarily deviate from the remuneration system in accordance with section 87a (2) sentence 2 AktG if this is necessary in the light of GRAMMER AG's long-term interests. Unfavorable market developments are explicitly not deemed to constitute such special and exceptional circumstances. Rather, these are cases, such as a severe corporate or economic crisis, in which an adequate incentive can no longer be achieved by means of the existing remuneration system, thus making a temporary deviation necessary. These special and exceptional circumstances are determined in a resolution passed by the Supervisory Board.

If an exceptional circumstance has been identified in a resolution passed by the Supervisory Board, it may temporarily deviate from the following components of the remuneration system: relative proportions of the remuneration components, STI and LTI performance criteria, performance periods and applicable target achievement ranges, secondary benefits in the event of a temporary requirement for exceptional secondary benefits.

Furthermore, the Supervisory Board may in this case temporarily grant additional remuneration components or replace individual remuneration components with other remuneration components to the extent necessary to restore an appropriate level of incentive in the remuneration system for the Executive Board.

In the event of any temporary deviation from the remuneration system, the rationale and the procedure followed must be explained in the remuneration report, and the remuneration components affected must be duly specified.