

Description of the remuneration of Knaus Tabbert AG

Main principles and objectives of the remuneration system for the members of the Management Board of Knaus Tabbert AG

The remuneration system for the members of the Management Board contributes to the promotion of the business strategy and supports the sustainable and long-term development of Knaus Tabbert. This not only provides a means for incentivising and evaluating the operational performance of the company, but also ensures a long-term increase in earning power and shareholder returns along with improvements with regard to environmental, social and governance (ESG) factors. In developing the remuneration system, the Supervisory Board adhered to the principles set out below:

- promoting the implementation of the long-term business strategy and the sustainable development of Knaus Tabbert AG
- appropriate remuneration as is customary in the market, taking into account the size, complexity and economic situation of the company
- due consideration of shareholder and stakeholder interests
- strong emphasis on pay-for-performance
- comparison with competitors to provide incentives for sustained outperformance
- long-term oriented and ambitious performance criteria
- remuneration system that is both intuitive and easy to understand
- due consideration of the experience and expertise of the Management Board members

The aim of the Supervisory Board is to offer the members of the Management Board a remuneration package that is both in line with the market and competitive, within the aforementioned guidelines and applicable legal framework, in order to promote sustainable business practices of the Management Board and to attract the best available candidates to fill positions on the Management Board of Knaus Tabbert AG.

The remuneration system for Management Board members has been designed to be simple, transparent and comprehensible. It complies with the requirements of the German Stock Corporation Act and the recommendations of the German Corporate Governance

Code. The current Management Board contracts have been drawn up in accordance with the remuneration system now submitted for approval. The Supervisory Board was assisted by independent legal advisors in reviewing the present remuneration system for its appropriateness and conformity with legal requirements.

A. Procedures for establishing, implementing and reviewing the remuneration system

The remuneration system for Management Board members is decided by the Supervisory Board in accordance with Section 87 paragraph 1 AktG. The Supervisory Board is assisted in this by the Presiding Committee of the Supervisory Board. The Presiding Committee of the Supervisory Board prepares corresponding recommendations on the remuneration system for the Management Board, taking into account the guiding principles outlined in section A and the recommendations of the German Corporate Governance Code, which the Supervisory Board then discusses in detail and resolves upon. If necessary, the Supervisory Board may consult external advisors. When engaging external remuneration experts, attention is paid to ensure their independence; in particular, confirmation of their independence is obtained. The external remuneration experts, which are engaged as needed, are replaced from time to time. Regulations governing conflicts of interest are also observed in the process of establishing, implementing and reviewing the remuneration system.

The Presiding Committee is responsible for preparing the regular review of the remuneration system for Management Board members by the Supervisory Board. If required, the Supervisory Board may resolve to make changes to the remuneration system. In the event of significant changes, but at least once every four years, the remuneration system is to be resubmitted to the Annual General Meeting for approval.

If the remuneration system put to the vote is not approved by the Annual General Meeting, a revised remuneration system shall be submitted at the next Annual General Meeting at the latest.

B. Determination of the target total remuneration

On the basis of the remuneration system, the Supervisory Board determines a specific target for the total remuneration of each Management Board member, which is commensurate with the tasks and performance of the Management Board member and the position of the company, and which generally does not exceed customary rates. The target total remuneration of a Management Board member consists of the sum of all remuneration components that are of relevance for total remuneration. Total remuneration comprises a

fixed component consisting of a basic salary and fringe benefits, and a variable component consisting of variable remuneration with a short-term incentive (STI) and a long-term, share-based incentive (LTI).

The target total remuneration of each Management Board member equals the sum of the fixed remuneration and variable remuneration components, based on the target amounts in the event of 100% target achievement. It represents an appropriate level of compensation that is commensurate with the tasks and performance of the Management Board member, taking into due account the economic situation and success of the company. The Supervisory Board ensures that the remuneration is in line with market conditions. Market conformity is assessed by means of external and internal appropriateness tests.

- **Horizontal comparison - external appropriateness**

Due to the size and complexity of the company, remuneration data for companies listed in the SDAX index are used to assess market conformity. For comparison purposes, the positioning of Knaus Tabbert in the respective comparative market is determined in terms of revenue, the number of employees and market capitalisation. On the basis of this positioning, the remuneration of the Management Board members is assessed to ensure that it is in line with market conditions.

- **Vertical comparison - internal appropriateness**

In addition to the external comparison, the Supervisory Board takes into account the ratio of the remuneration of the Management Board relative to the remuneration of higher management (first management level below the Management Board) and the rest of the workforce (non-tariff and tariff staff) of Knaus Tabbert in Germany, including its development over time.

C. Components and structure of the target total remuneration

The remuneration system for the Management Board is geared towards the long-term, sustainable and profitable development of Knaus Tabbert. The remuneration of the Management Board members comprises performance-unrelated fixed remuneration and performance-related variable remuneration with a short-term (STI) and a long-term component (LTI). Most variable remuneration components are assessed over a period of several years and thus have a long-term orientation. In this way, the members of the Management Board are able to participate in a sustainable increase in value of Knaus Tabbert, and thus have sufficient incentive to focus on the long-term performance of Knaus Tabbert. In addition to economic success factors, the one-year variable remuneration component is also based on personal performance indicators. At the same time, the present remuneration system is intended to ensure that remuneration is commensurate with the tasks and performance of the Management Board members and the position of the company. Thus, special achievements are to be rewarded more strongly, while poor performance is to

noticeably reduce remuneration. The adequacy of the remuneration of the Management Board is reviewed by the Supervisory Board.

The relative shares of the fixed remuneration, and the short-term and long-term variable remuneration components in relation to the target total remuneration are shown below.

	Chairman of the Management Board	Ordinary members of the Management Board
Fixed remuneration (basic salary, fringe benefits)	65% to 75%	55% to 65%
Short-term variable remuneration	10% to 20%	15% to 25%
Long-term variable remuneration	10% to 20%	15% to 25%

For the Chairman of the Management Board, fixed remuneration (basic salary and fringe benefits) currently accounts for approximately 72.6% of target total remuneration, and variable remuneration for approximately 27.4% of target total remuneration. The share of the STI (target amount) in the target total remuneration is approximately 12.8%, while the share of the LTI (target amount) in the target total remuneration is approximately 14.6%.

For the ordinary members of the Management Board, fixed remuneration (basic salary and fringe benefits) currently accounts for approximately 58.7% to 59.0% of the target total remuneration, and variable remuneration for approximately 41.0% to 41.3% of the target total remuneration. The share of the STI (target amount) in the target total remuneration is approximately 19.1% to 19.3%, while the share of the LTI (target amount) in the target total remuneration is approximately 21.9% to 22.0%.

D. Individual remuneration components

1. Fixed remuneration components

The fixed remuneration ensures that members of the Management Board receive an appropriate basic salary, thereby preventing the company from incurring unreasonable risks. It is comprised of the basic salary and fringe benefits. At present, no pension commitments have been made by Knaus Tabbert AG.

a) Basic salary

Each member of the Management Board receives a fixed basic salary, which is dependent on the responsibilities and experience of the respective member, and which is paid out in twelve monthly instalments.

b) Fringe benefits

The remuneration system of the Management Board provides for fringe benefits in the form of benefits in kind and allowances, such as a company car or travelling allowance, the reimbursement of expenses, accident insurance and the contribution to health and care insurance policies. The Supervisory Board may stipulate further fringe benefits, such as contributions to pension schemes. For all members of the Management Board, D&O insurance has been taken out with adequate coverage and a deductible in the amount of 10% of the damage, but no more than 150% of the fixed annual remuneration, in accordance with the relevant provisions of German stock corporation law. The D&O insurance policies cover pecuniary losses arising from breaches by the Management Board members in the performance of their duties.

c) Benefits on assumption of office

The Supervisory Board may, in individual cases, grant a payment on the occasion of the assumption of office of a new member of the Management Board in the first or second year of appointment. Such a payment can, for instance, compensate for the loss of variable remuneration from a previous employment relationship that a member of the Management Board suffers as a result of changing to Knaus Tabbert AG.

2. Variable remuneration components

The variable remuneration consists of two components, the STI, a variable remuneration component with a one-year assessment basis, and the LTI, a variable remuneration component with a four-year assessment basis. The first LTI incentive phase begins on 1 January 2021 and ends on 31 December 2024. In addition to the STI and LTI, the Supervisory Board may award additional bonus payments for the achievement of predefined performance targets in connection with special projects.

a) Short-term variable remuneration (STI)

The STI is determined on the basis of a defined degree of target achievement as well as individual targets, which are set by the Supervisory Board and agreed upon by the company and the respective Management Board member before the start of each financial year. The STI is paid as an annual cash bonus, and is currently capped at EUR 140,000. If the respective service contract begins or ends in the course of a financial year, payments are made pro rata temporis. Members of the Management Board whose service contract

is terminated for good cause pursuant to Section 626 of the German Civil Code (BGB), or who resign from office without justification, are not entitled to a STI for the financial year in which the contract is terminated.

The targets are divided into financial and non-financial performance criteria. ESG targets are taken into account as a key non-financial performance criterion. To determine the degree of target achievement, the Supervisory Board specifies a ratio of the financial and non-financial performance criteria. Currently, the ratio of the financial and non-financial performance criteria is 60% to 40%. This means that if 100% of the financial performance criteria are met, 60% of the maximum STI is paid out, and if 100% of the non-financial performance criteria are met, 40% of the maximum STI is paid out.

The financial performance criterion is currently designed as follows: Taking into account the planned ramp-up, revenue or the number of vehicles produced for the financial year ending on 31 December 2021 should be in line with the budget planned for this financial year. The number of vehicles is only to be used as an indicator to the extent that the revenue target has not been reached in full (e.g. due to a shift in the product mix in favour of caravans). The exact figures will be finalised upon approval of the budget by the Supervisory Board. The relevant indicators are those resulting from the audited Consolidated Financial Statements of Knaus Tabbert AG for 2021, prepared in accordance with IFRS. In this context, revenue is defined as proceeds in accordance with IFRS 15, and the number of vehicles as the number of units invoiced (caravans, motorhomes, camper vans). The Supervisory Board is authorised to replace the financial performance criterion for future financial years in whole or in part, to delete it or to add new criteria if, according to its professional judgement, this is better suited to promote the development and strategic focus of Knaus Tabbert and to incentivise the members of the Management Board accordingly.

The non-financial performance criterion in the form of ESG targets is currently designed as follows: The Management Board is tasked with introducing a group-wide sustainability strategy in the financial year ending on 31 December 2021. Specifically, the introduction of a group-wide sustainability strategy comprises the following objectives of the Management Board: initiation of a structured sustainability process at Knaus Tabbert, defining what "sustainability" means for Knaus Tabbert and integrating the Sustainable Development Goals of the United Nations, measuring CO₂ emissions at all plants throughout the company, identifying the key issues and fields of action for Knaus Tabbert from a stakeholder perspective, raising internal awareness among selected individuals and managers within the company, developing and preparing the first sustainability report in accordance with GRI Standards for the financial year ending on 31 December 2021, providing a structural basis for sustainability at Knaus Tabbert and integrating it into the corporate strategy, as well as the implementation of an external rating process. The Supervisory Board is authorised to replace the ESG target criteria for future financial years in whole or in part,

to delete them or to add new criteria if, according to its professional judgement, this is better suited to reflect the developments in the area of ESG and to incentivise the members of the Management Board accordingly. In particular, the Supervisory Board may choose from the following categories: energy efficiency, employee satisfaction, customer satisfaction, diversity, and increasing the share of sustainable and carbon-neutral products.

Moreover, the Supervisory Board specifies in advance the level of target achievement for payouts with respect to the financial and non-financial performance criteria. As currently defined, if the target achievement for a financial or non-financial performance criterion is less than 100%, but at least 80%, the payout for the relevant performance criterion is made on a pro rata basis. In case of a target achievement of less than 80%, no STI is paid with respect to the respective performance criterion. After the end of the financial year, the Supervisory Board assesses the level of target achievement and the resulting amounts to be paid out.

The Supervisory Board may also specify a multiplier (modifier) by which the payout amounts thus determined are to be multiplied to determine the final annual payout amounts of the STI. The modifier may be used to take into account other non-financial performance criteria in the short-term variable remuneration. Adjustments may not exceed 20% in either direction, i.e. the modifier must be within a range of 0.8 to 1.2. If the Supervisory Board stipulates a modifier, the individual modifier is determined in each case by the Supervisory Board, at its professional discretion, according to the degree of fulfilment of the non-financial performance criteria defined in advance for the evaluation of the performance of the individual Management Board members, for the evaluation of the performance of the Management Board as a whole, and for the assessment of the fulfilment of stakeholder objectives. The targets, and the assessment of the extent to which the targets have been met, are then subsequently explained in the remuneration report for the respective financial year.

Any subsequent change to the financial and non-financial performance criteria is excluded. In the event of extraordinary events or developments, e.g. the acquisition or sale of a part of the company, the Supervisory Board is entitled to make appropriate and temporary adjustments to the conditions attached to the STI at its reasonable discretion.

For appointments to the Management Board beginning or ending in the current financial year, the target amount shall be reduced pro rata temporis according to the date of the beginning or end of the appointment.

b) Long-term variable remuneration (LTI)

The LTI is based on the development of virtual performance shares, which are awarded in annual tranches (LTIP tranches). At the beginning of a new performance period, each Management Board member is allocated a certain number of performance shares. The number of performance shares granted at the beginning of each period is calculated by dividing the target amount set by the Supervisory Board, which currently stands at EUR 160,000, by the initial share price. The latter is defined as the volume-weighted average price of the company's share in the electronic trading system of the Frankfurt Stock Exchange (or a comparable successor system) during the last three months prior to the beginning of the evaluation period. The final share price is defined as the volume-weighted average price of the company's share in the electronic trading system of the Frankfurt Stock Exchange (or a comparable successor system) during the last three months of the evaluation period.

In addition to the development of the performance shares, payouts under the LTI are also dependent on the achievement of an EBITDA target. EBITDA is defined as the consolidated result of the Knaus Tabbert Group for the respective financial year, adjusted for taxes, financing costs, financial income, and depreciation and amortisation, according to the audited Consolidated Financial Statements of the Knaus Tabbert Group. The criteria for meeting the EBITDA target are set by the Supervisory Board at the beginning of a new performance period. Currently, the EBITDA performance target is considered to be fully met if (i) cumulative EBITDA during the LTIP incentive phase amounts to at least EUR 396,864,500, or (ii) the quotient of cumulative EBITDA during the LTIP incentive phase and cumulative revenues of the Knaus Tabbert Group during the LTIP incentive phase, multiplied by 100, equals at least 9.58.

The payout amount of the respective LTIP tranche at the end of the 4-year performance period is calculated by multiplying the number of performance shares by the final share price and a multiplier. If the target is fully reached, the multiplier is 1. If the target is not fully reached, but the degree of target achievement is at least 81%, the multiplier is reduced by 5% for each deviating percentage point. Management Board members are only entitled to LTI payments if the degree of target achievement is at least 81%, and the final share price is higher than the initial share price. The Supervisory Board sets a cap for LTI payments, which is also specified in the contracts of the Management Board members. The payout for each LTIP tranche is currently limited to a maximum of EUR 450,000. The Supervisory Board is entitled to increase or decrease the payouts by an appropriate amount in case of extraordinary developments. The LTI is granted, and paid out, together with the monthly instalment of the fixed annual remuneration, that is paid out after the Supervisory Board has approved the Annual Financial Statements for the fourth financial year of the assessment period. The company does not reimburse any income tax payable on the LTI.

The Supervisory Board may, at its own discretion, decide that the LTI is to be paid out in company shares rather than in cash. The number of shares in the company to be granted in this case is determined by dividing the payment amount of the LTIP tranche by the final share price. Should a member of the Management Board resign from office during the term of an evaluation period, or a new member be appointed to the Management Board during a performance period, the respective member shall receive a LTI pro rata temporis for this period, provided that the targets as described above have been met.

LTIP tranches were allocated for the first time for the 2021 financial year, which means that payments of LTIP tranches will not be considered before 2025, subject to the achievement of targets and the development of the Knaus Tabbert share price.

E. Upper remuneration limits (caps on variable remuneration and maximum remuneration)

For both variable remuneration elements, performance measurements are guided by sustainability and a focus on success. The Supervisory Board ensures that the variable remuneration targets are ambitious, while simultaneously guaranteeing a balanced risk-opportunity profile. For this reason, the variable remuneration is designed in such a way that it can fall to zero if the targets are not met. Caps on variable remuneration (inflow caps) are applied in cases where the targets are significantly exceeded. The inflow caps are set by the Supervisory Board and included in the Management Board contracts. At present, the Management Board contracts stipulate a maximum STI of EUR 140,000 and a maximum LTI of EUR 450,000.

Furthermore, the Supervisory Board has specified a maximum remuneration for the chairperson of the Management Board and for each ordinary member of the Management Board, covering all fixed and variable remuneration components, in accordance with Section 87a paragraph 1 sentence 2 no. 1 AktG. The maximum remuneration represents the upper limit by amount and thus the actual maximum inflow for the financial year in question, taking into account the fixed remuneration (including the basic salary and fringe benefits), the short-term variable remuneration (STI) and the long-term variable remuneration (LTI). In addition, the maximum remuneration includes, inter alia, any additional benefits agreed in individual contracts. The maximum remuneration thus represents the maximum expenditure of Knaus Tabbert AG for the respective Management Board member. The maximum annual remuneration amounts to EUR 1,750,000 for the Chairman of the Management Board, and EUR 1,250,000 for ordinary members of the Management Board.

In the event of a new Management Board member taking office, actual maximum remuneration may deviate from the fixed maximum remuneration in the first or second year of

appointment if, in exceptional cases, the Supervisory Board grants the new member payments on the occasion of taking office to compensate for the loss of payments from the previous employment relationship. In this case, the aforementioned maximum remuneration for this financial year only shall be increased by up to 50% for the chairperson of the Management Board, and by up to 25% for ordinary members of the Management Board.

The Supervisory Board notes that the aforementioned amounts do not represent the target total remuneration deemed appropriate by the Supervisory Board, but merely an absolute upper limit. Furthermore, the Supervisory Board points out that LTIP tranches are only paid out after four years, and that the amount paid out is dependent on the achievement of targets and the development of the Knaus Tabbert share price.

F. Malus and clawback provisions for variable remuneration

The Management Board contracts include malus and clawback provisions. These stipulate that the variable remuneration granted to a Management Board member for one or several financial years is to be repaid at the request of the Supervisory Board if the annual or consolidated financial statements of the company, on the basis of which the remuneration was granted, are ineffective or, although effective, do not give a true and fair view of the net asset, financial and profit situation in violation of applicable regulations. The same applies if a member of the Management Board has committed a serious breach of duty pursuant to Section 93 paragraph 1 AktG in one of the financial years for which the variable remuneration has been granted. If the preconditions for a claim for repayment are met prior to payment of the variable remuneration to the Management Board member, the Supervisory Board may refuse payment and withhold the variable remuneration. The Supervisory Board shall decide at its due discretion whether, and to what extent, variable remuneration is to be reclaimed or withheld. The severity and implications of the violation, the seriousness of the breach of duty and the degree of fault, as well as any damage incurred by the company, are to be taken into account in the process. An obligation to repay variable remuneration granted shall cease if more than three years have elapsed between the payout of the variable remuneration and the request by the Supervisory Board.

G. Remuneration-related legal transactions

The remuneration of the Management Board members is governed by their service contracts, whereby the variable remuneration components are determined by the Supervisory Board on the basis of this remuneration system. The term of the Management Board contracts is contingent on the duration of the term of office. The service contracts of the Management Board members are concluded for the duration of the term of office, and are extended in each case for the duration of the reappointment. Taking into account the provisions of Section 84 AktG and the German Corporate Governance Code, the term of

appointment or contract for the first appointment of a member of the Management Board is generally three years. In the case of reappointment, the appointment or contract extension period is generally five years. In accordance with the provisions of German stock corporation law, the Management Board contracts do not provide for an ordinary termination option; the right of either party to terminate the Management Board contract without notice for good cause remains unaffected. In the event of premature termination of the appointment, the service contract shall also expire prematurely. For service contracts beginning or ending in the course of a financial year, payments are made pro rata temporis.

The Supervisory Board may agree a post-contractual non-competition clause with members of the Management Board for a period of up to two years. During this period, the members of the Management Board shall be entitled to monthly compensation in the amount of one twelfth of the fixed annual salary. If a post-contractual non-competition clause is agreed, the compensation is to be designed such that it can be offset against other benefits owed by Knaus Tabbert AG for the period following termination of the service contract. At present, the Management Board contracts do not contain a post-contractual non-competition clause, and therefore do not provide for compensation.

H. Commitments in connection with the termination of Management Board mandates

The remuneration system for Management Board members also governs the amount of remuneration payable to a Management Board member in the event of premature termination of their Management Board mandate. The following provisions apply for remuneration commitments upon leaving office:

For cases in which a Management Board mandate is terminated, even prematurely, for whatever reason, the Management Board contracts do not provide for claims to severance payments in excess of two years' remuneration (severance payment cap). This does not give rise to an entitlement to severance pay. Calculation of the severance payment cap is based on the total remuneration for the past financial year and, if applicable, also on the expected total remuneration for the current financial year.

In the event of termination of a Management Board contract by the company for good cause, and in the case of unilateral resignation from office by the Management Board member in breach of the contract, the entitlement of the Management Board member to - pro rata - payments of an STI for the current financial year of the company at the time

of receipt of the notice of termination, as well as the entitlement of the Management Board member to - pro rata - payments from LTIP tranches whose incentive phase has not yet expired at the time of receipt of the notice of termination, shall be forfeited.

The remuneration system does not provide for any special regulations in the event of a change of control, in particular neither a special right of termination nor severance payments.

I. Remuneration offset for ancillary activities of members of the Management Board

Management Board members may only engage in ancillary activities (e.g. public offices, mandates on supervisory boards, administrative boards and advisory boards, as well as similar mandates including honorary posts) to a very limited extent. Any self-employed or employed activity, paid or unpaid, for oneself or a third party, including the assumption of honorary offices as well as supervisory board, advisory board or similar mandates, requires the prior written consent of the Supervisory Board. Insofar as members of the Management Board hold internal or similar supervisory board mandates, the remuneration for the mandate is offset against the Management Board remuneration. If external supervisory board mandates are assumed, the Supervisory Board shall decide, at its due discretion, in each individual case whether, and to what extent, the remuneration is to be offset. In particular, the extent to which the activity is in the interest of the company or the Management Board member is taken into account.

J. Temporary deviations from the remuneration system

In exceptional cases, the Supervisory Board may, upon recommendation of the Presiding Committee of the Supervisory Board, allow temporary deviations from individual components of the described remuneration system if this is necessary to safeguard the long-term well-being of the company. These include adjustments to the remuneration system in the event of a significant change to the corporate strategy in order to provide adequate incentives, or in the event of far-reaching changes to the economic situation (for instance due to pandemics or severe economic crises) rendering the original performance criteria and/or key figures of the remuneration system obsolete, provided that the specific repercussions were not foreseeable. Generally unfavourable market developments are explicitly not considered as extraordinary developments.

Procedurally, such deviations require an explicit resolution by the Supervisory Board, specifically detailing the duration of the deviation as well as the deviation as such, but also the reason for it (i.e. why the deviation is necessary for the long-term well-being of the company) in an appropriate form. The components of the remuneration system which allow for deviations in exceptional cases include the procedure, the regulations governing

the remuneration structure and amount, as well as the individual remuneration components and, in particular, the performance criteria. The Supervisory Board may factually deviate from the respective relative share of the individual remuneration components as well as from their respective prerequisites. Moreover, it may temporarily alter the basic salary in individual cases if this is in the interest of the long-term well-being of the company, provided that it does not exceed the maximum remuneration set by the Annual General Meeting.

Description of the remuneration for the members of the Supervisory Board

The members of the Supervisory Board receive fixed annual remuneration of EUR 25,000. In accordance with the recommendation of Principle 17 of the German Corporate Governance Code, the remuneration for the Chairwoman and Deputy Chairman of the Supervisory Board is increased due to their greater time expenditure. The Chairwoman of the Supervisory Board receives EUR 100,000, and the Deputy Chairman of the Supervisory Board EUR 37,500. Furthermore, additional remuneration is provided for the chairs of the Supervisory Board committees. The Chairwoman of the Audit Committee and the Chairwoman of the Presiding Committee thus each receive an additional annual fixed remuneration of EUR 35,000. The chairs of other committees each receive an additional annual fixed remuneration of EUR 5,000, provided that the committee in question has convened at least once during the financial year. The remuneration described above is payable at the end of each financial year. No attendance fee is granted for either the meetings of the Supervisory Board or the meetings of the committees.

D&O liability insurance covering pecuniary damage has been concluded for members of the Supervisory Board. The insurance premiums are paid by the company, which also reimburses all Supervisory Board members for any expenses and value-added tax payable on their remuneration and expenses. The company reimburses all members of the Supervisory Board for their expenses as well as for any value-added tax payable on their remuneration and expenses. There are no remuneration-related agreements between the company and the members of the Supervisory Board that go beyond the provisions of the Articles of Association.

The members of the Supervisory Board shall be appointed, subject to the stipulation of a different term of office at the time of election, for the period up to the conclusion of the Annual General Meeting, which resolves on the approval of the actions of the Supervisory Board members for the fourth financial year after the commencement of the term of office. The financial year in which the term of office begins is not counted. Subject to the relevant statutory provisions, members of the Supervisory Board may be dismissed, and may resign from office prematurely by giving one month's written notice, even without good cause. The chair of the Supervisory Board may shorten, or even waive, the notice period. There

shall be no further remuneration in the event of resignation, or any provision regarding remuneration after the term of office. Supervisory Board members who are members of the Supervisory Board or a committee for only part of the financial year, or who serve as chair or deputy chair of the Supervisory Board or chair of a committee, shall receive a proportionately lower remuneration pro rata temporis.

The structure of the remuneration system for the Supervisory Board, which provides for fixed remuneration only, strengthens the independence of the Supervisory Board and purposely deviates from the structure of the remuneration system for the Management Board, which is largely variable and geared towards promoting the growth strategy of Knaus Tabbert. The remuneration of the Supervisory Board thus promotes the long-term development of Knaus Tabbert.

The Presiding Committee of the Supervisory Board prepares the deliberations and resolutions of the Supervisory Board on the remuneration of the members of the Supervisory Board, including the underlying remuneration system. On the basis of this preparatory work by the Presiding Committee, the Supervisory Board regularly examines whether the remuneration of its members is appropriate, taking into account their tasks and responsibilities, and the situation of the company. To this end, the Supervisory Board may choose to perform a horizontal market comparison and/or a vertical comparison with respect to the remuneration of the company's workforce, and may consult an independent external expert for advice. Due to the special nature of the work of the Supervisory Board, a vertical comparison with respect to the remuneration of employees of the company is generally not used when reviewing the remuneration of the Supervisory Board. Depending on the result of the comparative analysis and the assessment of this result by the Supervisory Board, the latter, together with the Management Board, may submit a proposal to the Annual General Meeting on the adjustment of the remuneration of the Supervisory Board. The Annual General Meeting shall pass a resolution on the remuneration of the members of the Supervisory Board (including the underlying remuneration system) at least once every four years. The respective resolution may also uphold the current remuneration. In the event that the Annual General Meeting does not approve the proposed remuneration system, a revised remuneration system shall be submitted at the following annual General Meeting at the latest.

The general rules for dealing with conflicts of interest are observed in the procedures for establishing, implementing and reviewing the remuneration system. Care is taken to ensure that any external remuneration experts to be consulted are independent; in particular, a confirmation of their independence is required if such experts are consulted.

The remuneration of the members of the Supervisory Board is regulated in Article 14 of the company's Articles of Association, which reads as follows:

§ 14

Remuneration

- (1) Each member of the Supervisory Board receives annual fixed remuneration of EUR 25,000. In deviation thereof, the Chairwoman of the Supervisory Board receives annual fixed remuneration of EUR 100,000 and the Deputy Chairman annual fixed remuneration of EUR 37,500.
- (2) The Chairwoman of the Audit Committee and the Chairwoman of the Presiding Committee each receive an additional annual fixed remuneration of EUR 35,000. The chairs of other committees each receive an additional annual fixed remuneration of EUR 5,000, provided that the committee in question has convened at least once during the financial year.
- (3) Supervisory Board members who are members of the Supervisory Board or a committee for only part of the financial year, or who serve as chair or deputy chair of the Supervisory Board or chair of a committee, shall receive a proportionately lower remuneration pro rata temporis.
- (4) The remuneration pursuant to paragraphs (1) to (3) is payable at the end of each financial year.
- (5) In addition to the remuneration, the company shall reimburse the members of the Supervisory Board for any expenses reasonably incurred by them in the exercise of their Supervisory Board mandate, as well as any value-added tax payable on their remuneration and expenses.
- (6) In the interests of the company, the members of the Supervisory Board shall be included in a D&O liability insurance policy covering pecuniary damage, concluded by the company with adequate coverage, insofar as such a policy exists. The respective insurance premiums are to be paid by the company.