



## Remuneration report pursuant to section 162 German Stock Corporation Act (AktG) for the financial year 2021

Transparent and comprehensible reporting on the remuneration of the Executive Board and Supervisory Board is a central element of good corporate governance for R. STAHL. In accordance with the requirements of section 162 of the German Stock Corporation Act (AktG), the remuneration report explains the application of the remuneration system for the members of the Executive Board and Supervisory Board of R. STAHL AG and describes the amount and structure of the remuneration granted and owed individually to the current and former members of the Executive Board and Supervisory Board in the financial year 2021. The remuneration report also complies with the recommendations and suggestions of the German Corporate Governance Code (DCKG) in its version of 16 December 2019.

The remuneration system for Executive Board members is geared towards promoting the business strategy and the sustainable and long-term development of the company and was approved by the Annual General Meeting in accordance with section 120a (1) of the German Stock Corporation Act (AktG) on 15 July 2021 with an approval rate of 88.67% of the votes cast. The entire content of the remuneration system is available at <https://r-stahl.com/en/global/corporate/investor-relations/corporate-governance/corporate-governance-declaration/remuneration-system-of-the-executive-board-and-supervisory-board/>.

The current remuneration system for the members of the Supervisory Board was also approved by the 28th Annual General Meeting on 15 July 2021 with 83.73 % of the votes cast. The entire content of the remuneration system is available at <https://r-stahl.com/en/global/corporate/investor-relations/corporate-governance/corporate-governance-declaration/remuneration-system-of-the-executive-board-and-supervisory-board/>.

The remuneration report 2021 was audited by BDO AG Wirtschaftsprüfungsgesellschaft with regard to the requirements pursuant to section 162 para. 3 AktG. The audit statement is attached to the Remuneration Report 2021.

### **Remuneration of the Executive Board**

#### **Principles and objectives of the remuneration system of the Executive Board**

R. STAHL AG is one of the world's leading suppliers of products for electrical explosion protection and pursues the goal of sustainable and profitable growth, thus continuously increasing the company's value. To this end, the existing product and service portfolio is constantly being developed further in line with the needs of the customers by way of innovations. In addition, the presence in growth markets is to be expanded. Another important medium-term goal is to establish market-leading cost structures. The new remuneration system for the Executive Board of R. STAHL AG is closely aligned with these strategic objectives and is designed for the long term.

The long-term variable remuneration, which is based on a rolling assessment period of three years, is intended in particular to create incentives for the continuous expansion of R. STAHL AG's quality and innovation leadership. R. STAHL AG thus incentivises the members of the Executive Board in the long term to maintain and expand the company's competitiveness through future technologies. The long-term variable remuneration makes up the largest part of the variable remuneration of the Executive Board. In the case of 100% target achievement, this amounts to approximately 56% of the total variable remuneration. This high weighting of the long-term variable component, together with the Executive Board members' own investment in R. STAHL AG shares linked to it, sets long-term behavioural incentives for the development of the company and the increase of the company value. The remuneration system of the members of the Executive Board of R. STAHL is thus directly linked to the strategic objectives of the company.

The short-term variable remuneration with the assessment period of one financial year also makes a significant contribution to the sustainable development of R. STAHL AG. The changeover in 2019 from a previously fully profit-related component to a target bonus system created performance incentives for short-term operationally effective efficiency improvements, which, in addition to the achievement of long-term strategic goals, represent the second important pillar for the sustainable development of the company. The short-term remuneration system, which in addition to financial performance targets also includes individual, primarily non-financial performance targets, also promotes the further development of employees and managers and thus the further development of R. STAHL AG's operational structures and processes.

### **Procedure**

Pursuant to section 87 of the German Stock Corporation Act (AktG), the Supervisory Board as a whole is responsible for all decisions concerning the remuneration of Executive Board members. The rules of procedure of the Supervisory Board of R. STAHL AG provide that the Administrative Committee formed by the Supervisory Board prepares these decisions and submits resolution recommendations to the full body. After the Supervisory Board has passed a resolution, the remuneration system is submitted to the Annual General Meeting for approval. If the Annual General Meeting does not approve the remuneration system put to the vote, the Supervisory Board shall present a revised remuneration system for approval at the next Annual General Meeting.

Against the background of the implementation of the Shareholders' Rights Directive (later in ARUG II), which has already been under discussion in 2019, and the proposals for a comprehensive reform of the German Corporate Governance Code, the remuneration of the Executive Board was updated in spring 2019 and anchored in the Executive Board contracts. The basis for this was an analysis of the regulations agreed upon until then and the resulting proposals for change by an independent remuneration consultant.

The design of the remuneration system is regularly reviewed by the Administrative Committee. If an adjustment appears to be necessary, the Administrative Committee shall submit appropriate adjustment proposals to the Supervisory Board. In the event of significant changes, but at least every four years, the remuneration system shall be resubmitted to the Annual General Meeting for approval.

### **Appropriateness**

The Supervisory Board of R. STAHL AG uses the companies from the SDAX stock exchange index as the horizontal comparison group. In addition, the vertical appropriateness of the remuneration of the members of the Executive Board is reviewed. The remuneration ratios within the Executive Board, the remuneration ratios of the other hierarchy levels (first level below the Executive Board, non-pay-scale employees and pay-scale employees) compared to the Executive Board as well as the remuneration ratios between the Executive Board and mid-level pay-scale employees are compared with market data.

The regulations applicable to dealing with conflicts of interest (such as the obligation to disclose at an early stage) are also observed in the process of establishing and implementing as well as reviewing the remuneration system.

### Remuneration components

The Executive Board remuneration consists of a total of four components, the annual basic remuneration, fringe benefits, a short-term variable remuneration and a long-term variable remuneration.

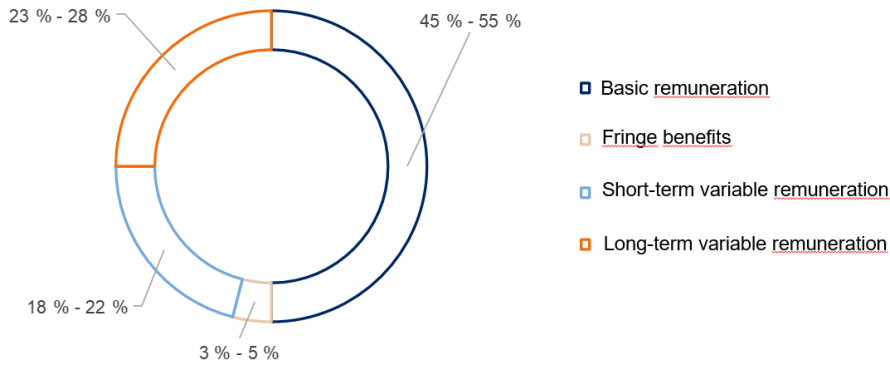
The following overview summarizes the components of the remuneration system of the Executive Board:

	Component	Description
Fixed annual remuneration components	Basic remuneration	<ul style="list-style-type: none"> <li>Fixed remuneration paid in twelve equal monthly instalments</li> </ul>
	Fringe benefits	<ul style="list-style-type: none"> <li>Accident insurance and D&amp;O insurance contributions</li> <li>Allowances for pension, health and long-term care insurance</li> <li>Lease instalments for a vehicle</li> </ul>
Variable annual remuneration components	Short-term variable remuneration	<ul style="list-style-type: none"> <li>Target bonus system</li> <li>Assessment period: financial year</li> <li>Financial sub-component with the equally weighted performance criteria:                             <ul style="list-style-type: none"> <li>EBIT</li> <li>Free cash flow</li> </ul> </li> <li>Individual performance (factor: 0.8 - 1.2)</li> <li>Cap: 160 %</li> </ul>
	Long-term variable remuneration	<ul style="list-style-type: none"> <li>Performance Share Plan</li> <li>Assessment period: 3 years</li> <li>Equally weighted performance criteria:                             <ul style="list-style-type: none"> <li>ROCE</li> <li>EBT</li> </ul> </li> <li>Cap: 160 %</li> </ul>
Further integral parts of the contract	Maximum annual remuneration	<ul style="list-style-type: none"> <li>Members of the Executive Board: EUR 750,000</li> <li>Chairman of the Executive Board: EUR 1,100,000</li> </ul>
	Minus points and clawback	<ul style="list-style-type: none"> <li>Partial or full clawback of variable remuneration possible</li> </ul>
	Personal investment	<ul style="list-style-type: none"> <li>Mandatory personal investment in R. STAHL shares amounting to 50% of the basic remuneration</li> </ul>
	Severance payment cap	<ul style="list-style-type: none"> <li>Payments in the event of premature termination of Executive Board activities and the employment relationship, including fringe benefits, may not exceed the value of two years' remuneration and may not remunerate more than the remaining term of the contract</li> </ul>

### Remuneration structure

In accordance with the recommendations of the German Corporate Governance Code, the amount of the long-term variable remuneration component exceeds that of the short-term variable remuneration component.

Considering the annual basic remuneration, the fringe benefits as well as the short-term and long-term variable remuneration components, the following percentage distribution results for the case of 100% target achievement each:



*Maximum remuneration*

Pursuant to section 87a (1) sentence 2 no. 1 of the German Stock Corporation Act (AktG), the Supervisory Board has defined a maximum remuneration for each Executive Board member that includes all remuneration components, i.e. basic remuneration, fringe benefits and short-term as well as long-term variable remuneration. The maximum remuneration limits the total amount of remuneration granted for a particular financial year, irrespective of the time of payment. The maximum remuneration for the Chairman of the Executive Board is EUR 1,100,000 and for all other members of the Executive Board EUR 750,000.

*Basic remuneration*

The basic remuneration shall be paid in twelve equal instalments at the end of each calendar month.

*Fringe benefits*

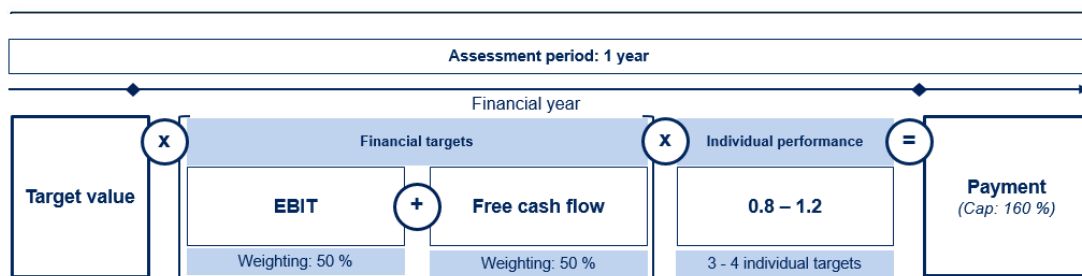
The fringe benefits include an allowance for pension, health and nursing care insurance in the amount that would accrue on the part of the employer if the Executive Board member had the status of an employee. This allowance is naturally dependent on the current contribution assessment limits and the current contribution rates. In addition, an accident insurance policy and a D&O insurance policy with a deductible in accordance with the regulations of the German Stock Corporation Act (AktG) exist for the benefit of the Executive Board members.

Furthermore, benefits in kind are granted in the form of contractually defined leasing instalments for a vehicle.

The members of the Executive Board do not receive a company pension commitment. Accordingly, benefits in the event of regular termination of the employment are not provided for in the contracts (section 162 (2) no. 3 AktG).

*Short-term variable remuneration*

The short-term variable remuneration was changed in 2019 from a previously fully profit-related component to a target bonus system. It is composed of two financial targets and the individual performance of the board member.



As a matter of principle, EBIT and free cash flow are taken into account as financial targets. EBIT describes the result of R. STAHL AG before financial result and income taxes and measures the success of the operational business capability. The assessment of economic success that this makes possible enables a focus on sustainable and profitable growth. Free cash flow as the second financial target aims to optimise cash flow and thus ensures that the financial substance of R. STAHL AG is maintained. This enables investments in innovative solutions that contribute to maintaining R. STAHL AG's market leadership in explosion-protected system solutions. Both financial targets are equally weighted in the bonus calculation. 100 % of the target achievement corresponds to the values for the reporting year from the planning process.

The resulting calculated amount is multiplied by a factor between 0.8 and 1.2, depending on the individual performance of the Executive Board member in the respective financial year. The Supervisory Board shall assess the individual performance at its equitable discretion on the basis of individual (mainly non-financial) targets. There are usually three to four goals per board member, although the goals may vary depending on the individual board member. Examples include the further development and implementation of the Group strategy, conducting an employee survey and deriving measures from it or taking stock of managers and management development. These targets are developed by the Administrative Committee, coordinated with the Executive Board in advance and, following a resolution by the Supervisory Board, agreed with the members of the Executive Board before the end of the financial year for the following year. The Administrative Committee reviews the implementation of these targets, discusses the assessment with the members of the Executive Board and proposes a factor per Executive Board member to the Supervisory Board. If the target is achieved in full, the factor is 1.0.

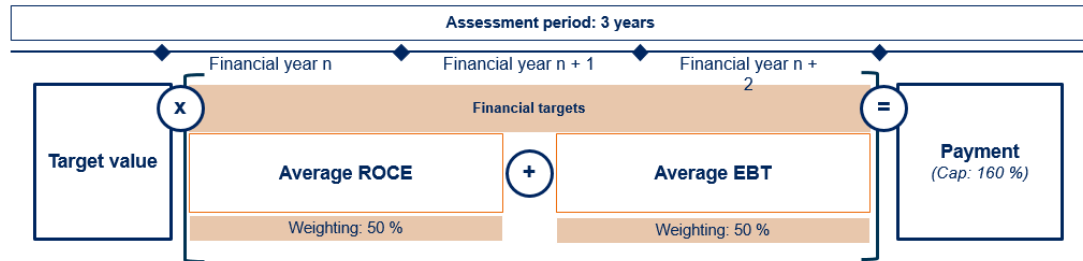
The short-term component is capped at 160% of target achievement. This maximum amount also includes the factor for the individual performance of the Executive Board member. If the degree of target achievement is 70 % or less per individual target, there is no entitlement to short-term variable remuneration. The short-term variable remuneration for the respective financial year is due for payment after the end of the Annual General Meeting of the company that has resolved on the appropriation of profits for the corresponding financial year.

The target values set for the financial goals and the resulting target achievements as well as the individual goals on which the evaluation of individual performance is based and the resulting factor per Executive Board member are described in the remuneration report for the respective financial year.

#### *Long-term variable remuneration*

The long-term variable remuneration is based on the achievement of the performance targets ROCE and EBT. The use of ROCE as a performance target provides information on how profitable and, above all, efficient R. STAHL AG's investments are. The use of ROCE in the context of long-term variable remuneration therefore sets an incentive for long-term and profitable investments. EBT as the second performance target reflects the long-term success of the company and thus sets incentives to increase the sustainable earning power of R. STAHL AG.

The degree of target achievement is measured over an assessment period of three financial years. The target determination, which is derived from the approved planning, is made by the Supervisory Board at the beginning of the financial year following the end of the respective three-year period. At the end of each financial year, the Supervisory Board sets a three-year target for the respective Executive Board member, which relates to the three following financial years. The relevant target figures are - equally weighted - the average ROCE and EBT to be achieved over the respective three-year period.



The long-term component is limited by a cap of 160% of target achievement. If the degree of target achievement is 70 % or less for each individual target, there is no entitlement to long-term variable remuneration.

The long-term variable remuneration is due for payment after the end of the Annual General Meeting of the company that has decided on the appropriation of profits for the last financial year of the three-year period.

The target values defined for the average ROCE and the average EBT as well as the resulting target achievements are described in the remuneration report after the end of the three-year assessment period.

#### *Minus point and clawback regulations*

In certain cases, the Supervisory Board may reduce variable remuneration components that have not yet been paid out (minus points) or reclaim variable remuneration components that have already been paid out (clawback).

In the event of individual misconduct, such as a deliberate breach of the essential duties of care pursuant to section 93 of the German Stock Corporation Act (AktG), essential contractual duties or other essential principles of action of the company (Code of Conduct, Compliance Guidelines, etc.), the Supervisory Board may, at its due discretion, withhold the variable remuneration not yet paid out in part or in full (minus points) or reclaim the variable remuneration components already paid out (gross) (clawback). If variable remuneration components linked to the achievement of certain targets were wrongly paid out on the basis of incorrect data, the company is entitled to reclaim the difference resulting from the recalculation of the amount of the variable remuneration compared to the payment made. The possibility of reclaiming exists even if the office or the employment relationship of the Executive Board member has already ended at the time of the assertion of the claim for repayment (clawback).

In financial year 2021, there were no reasons for applying these clauses, so variable remuneration components did not have to be reduced or repaid.

#### *Personal investment*

In order to strengthen the long-term and sustainable development of R. STAHL and to align the interests of the Executive Board and the shareholders, a mandatory personal investment of the Executive Board members in R. STAHL shares amounting to at least 50% of an annual basic remuneration is a prerequisite for the payment of the long-term variable remuneration. Until the target level of the personal investment is reached, 30 % of the payment of the long-term variable remuneration is to be invested in shares of R. STAHL AG.

## Remuneration-related legal transactions

### *Term of the service contracts of the Executive Board members*

In appointing the members of the Executive Board and in the term of the Executive Board service contracts, the Supervisory Board observes the recommendations of the German Corporate Governance Code in addition to the requirements of section 84 of the German Stock Corporation Act (AktG). Therefore, service contracts are concluded in each case for the duration of the appointment period and for a maximum of five years. The current appointment period and thus the term of the service contracts is three years. The Executive Board service contracts do not provide for the possibility of proper termination by either party. This does not affect the mutual right of both parties to terminate the service contract without notice for good cause.

### *Joining and leaving during the year*

If a member of the Executive Board joins or leaves the Executive Board during the financial year, the basic remuneration and the target amounts of the variable remuneration components are reduced pro rata temporis. Payments of the long-term variable remuneration are made at the end of the respective assessment period; there is no early payment.

### *Premature termination of the term of office of the Executive Board*

If the employment relationship ends due to extraordinary termination by the company for good cause pursuant to section 626, paragraph 1 of the German Civil Code (BGB), or due to termination of the employment contract at the instigation of the company for reasons relating to the person or conduct of the member of the Executive Board which would justify the proper dismissal of an employee, or due to termination by the member of the Executive Board without good cause (section 626, paragraph 1 of the German Civil Code (BGB)), or due to cancellation of the employment contract at the instigation of the member of the Executive Board without good cause, the member of the Executive Board shall not be entitled to any payments. In this case, the entitlement to short-term variable remuneration as well as all current tranches of the long-term variable remuneration expire without replacement or compensation.

If the employment relationship ends due to premature cancellation of the employment contract at the instigation of the company, without there being good cause within the meaning of section 626 para. 1 BGB or reasons in the person or conduct of the Executive Board member that would justify the proper dismissal of an employee, or due to the regular end of the contract term or due to the Executive Board member's retirement and he/she receives a state and/or company pension, the basic remuneration and the target amounts of the variable remuneration components shall be reduced accordingly pro rata temporis. The payments of the long-term variable remuneration are made at the end of the respective assessment period; there is no early payment.

### *Benefits in the event of cancellation of the employment/severance payment cap*

Payments in the event of premature cancellation of Executive Board activities and employment, including fringe benefits, may not exceed the value of two years' remuneration and compensate no more than the remaining term of the employment contract (severance payment cap). An entitlement to benefits in the event of premature termination of the employment is not provided for in the employment contracts (section 162 para. no. 2 AktG). If the service contract is terminated for good cause for which the Executive Board member is responsible, no payments shall be made to the Executive Board member.

Change of control clauses have not been agreed.

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

Pursuant to section 87a, paragraph 2, sentence 2 of the German Stock Corporation Act (AktG), the Supervisory Board may temporarily deviate from the present remuneration system if special and exceptional circumstances exist and if this is necessary in the interest of the long-term well-being of the company.

Such deviations may be necessary, for example, to ensure adequate incentives in the event of a serious corporate or economic crisis. However, unfavourable market developments shall not be considered as special and exceptional circumstances justifying a deviation from the remuneration system. The exceptional circumstances underlying and necessitating a deviation shall be determined by a resolution of the Supervisory Board. The following components of the remuneration system may be deviated from:

- Remuneration structure,
- the financial and non-financial performance targets as well as the
- assessment bases and
- threshold, target and maximum values of the performance-related remuneration.

If the incentive effect of the Executive Board remuneration cannot be adequately restored by adjusting the existing remuneration components, the Supervisory Board may also temporarily grant additional remuneration components or replace individual remuneration components with other remuneration components in the event of extraordinary developments under these conditions. Even in the event of a deviation from the remuneration system, the remuneration and its structure must continue to be geared towards the long-term and sustainable development of the company and be commensurate with the success of the company and the performance of the Executive Board. Insofar as a temporary deviation from this remuneration system occurs, it is reported in the remuneration report and the underlying circumstances are explained.

### **Remuneration of the Executive Board in the reporting year 2021**

The current service contracts of the members of R. STAHL AG's Executive Board are in line with the remuneration system described above and approved by the Annual General Meeting on 15 July 2021. In the reporting year, there were no deviations from this remuneration system in the sense of the escape clause described above. Furthermore, the remuneration granted and owed to the Executive Board members in the 2021 financial year did not exceed the specified maximum remuneration.

Pursuant to the provisions of section 162 para. 1 sentence 2 AktG, the remuneration report shall report on the remuneration granted and owed to each individual current or former member of the Executive Board and Supervisory Board in the past financial year.

Remuneration is already granted when the activity on which the remuneration is based has been fully performed (performance-oriented view). This means that the variable remuneration for the underlying activity in the 2021 financial year is reported as having been granted in the reporting year, even if payment is not made until after the end of the reporting year. This ensures transparent and comprehensible reporting.



## Total remuneration of the Executive Board in the 2021 financial year

The remuneration system described and the underlying service contract regulations resulted in the following remuneration for the reporting year:

### Total target remuneration

The calculation of the total target remuneration for the Executive Board members in office in the reporting year corresponds to the sum of the fixed remuneration, the short-term variable remuneration element (STI) and the long-term remuneration element (LTI), assuming 100 % target achievement in each case, plus the benefits in kind and the annually varying allowance for health, nursing care and pension insurance.

The Supervisory Board has determined the total target remuneration for the Executive Board members in office during the reporting year as follows:

in thousands	Dr Mathias Hallmann	Jürgen Linhard	Bernardo Kral	
			Full year	pro rata as of 2021-08-01
Fixed remuneration	420	300	260	108
Long-term variable remuneration *)	200	142	130	54
Short-term variable remuneration*)	170	120	110	46
Benefits for health insurance/nursing care insurance/pension insurance**)	13	13	13	5
Benefits in kind	22	21	21	9
<b>Total</b>	<b>825</b>	<b>596</b>	<b>534</b>	<b>222</b>

\*) The short-term variable remuneration is paid in the following financial year, and the long-term variable remuneration is paid after three years.

\*\*) Contribution to health, nursing care and pension insurance in the amount that would be due from the employer as an employee.

### Remuneration of the Executive Board member Dr Mathias Hallmann

By Supervisory Board resolution of 25 August 2017, Dr Hallmann was initially appointed as a member of the Executive Board with effect from 1 October 2017 and then as Chairman of the Executive Board with effect from 1 January 2018. By Supervisory Board resolution of 20 April 2020, the appointment was extended for a further three years with effect from 1 October 2020.

The service contract of 20 April 2020 concluded at the same time with Dr Hallmann was adjusted to the remuneration system described above on 21 June 2021. The current version provides for an annual fixed remuneration of T€ 420. For the STI, the degree of target achievement in the reporting year was 100 %. This results in a calculated amount of € 170,000. On the basis of the degree of achievement of the

additional individual targets agreed with Dr Hallmann (partly taken over from the former Chief Financial Officer) (further development and implementation of individual phases of the Group strategy, communication and derivation of measures from the employee survey, development and implementation of the innovation strategy, expansion of Group controlling, further development and implementation of the HR strategy, establishment of "state of the art" Group reporting and further development of quality management), the Supervisory Board has set the factor for the calculated amount at 1.1 in total. The Supervisory Board has assured itself of the status of the measures and the respective degree of achievement through ongoing reports, discussions and presentations in the committee meetings. The Administrative Committee, which is responsible for personnel issues, discussed and prepared the final resolution of the Supervisory Board after further discussions with Dr Hallmann. By setting the factor at 1.1, the total amount for the STI for 2021 is T€187.

The target achievement for the long-term variable remuneration was 70 % for the target period from 2019 to 2021. This results in a payout amount of T€ 133 after this period has been fully completed (if the target had been achieved by 100 %, an amount of T€ 200 would have had to be paid out). For the parallel target periods of 2020 to 2022 and 2021 to 2023, appropriate provisions were made with a weighting of 24/36 and 12/36, respectively, and a current degree of target achievement of 70% and 100%, respectively. The company grants Dr Hallmann a subsidy for his health, nursing care and pension insurance in the amount that would accrue on the part of the employer if Dr Hallmann had the status of an employee. This subsidy amounted to T€ 13.0 in the reporting year. Dr Hallmann received benefits in kind to the value of T€ 18.0. This is the cost of the leased vehicle provided to him. The contractually agreed leasing rate may not exceed € 1,850.00 net for a full leasing contract.

*Remuneration granted and owed to Dr Mathias Hallmann in the reporting year*

in € thousands	2021	Share
Fixed remuneration	420	55%
Long-term variable remuneration*)	133	17%
Short-term variable remuneration*)	187	24%
Benefits for health insurance/nursing care insurance/pension insurance**)	13	2%
Benefits in kind	18	2%
<b>Total</b>	<b>771</b>	<b>100%</b>
Maximum remuneration Chairman of the Executive Board	1,100	

\*) The short-term variable remuneration is paid in the following financial year, the long-term variable remuneration after three years. The long-term variable remuneration covers the target period of the years 2019 to 2021.

\*\*\*) Contribution to health, nursing care and pension insurance in the amount that would accrue on the part of the employer if Dr Hallmann had the status of an employee.

*Remuneration of the Executive Board member Jürgen Linhard*

Mr Linhard was appointed as a member of the Executive Board for a period of three years with effect from 1 May 2020 by Supervisory Board resolution of 20 April 2020.

The service agreement of 20 April 2020 concluded at the same time with Mr Linhard provided for an annual fixed remuneration of T€300. For the period from 1 May 2020 to 31 December 2020, a minimum amount of T€ 80 was agreed with Mr Linhard for the short-term variable remuneration.

Mr Linhard resigned for personal reasons on 31 March 2021. The company has therefore concluded a termination agreement with Mr Linhard to this effect. The fixed remuneration was granted pro rata until 31 March 2021. Due to his withdrawal at this early stage in the reporting year, the target achievement for his variable remuneration components was no longer assessed. Rather, the termination agreement excludes any claims to variable remuneration that may have arisen in favour of Mr Linhard. Only the minimum STI amount of T€80 agreed for 2020 was paid out together with the agreed settlement amount of T€500 with the final settlement.

The company has provided Mr Linhard with a subsidy for his health, nursing care and pension insurance in the amount that would accrue on the part of the employer if Mr Linhard had the status of an employee. This subsidy amounted to T€ 3.3 in the reporting year on a pro rata basis up to 31 March. Mr Linhard furthermore received benefits in kind to the value of T€ 8.9. This is the cost of the leased vehicle provided to him. This was still available to Mr Linhard until 31 August 2021 in accordance with the termination agreement concluded with him.

*Remuneration granted and owed to Jürgen Linhard in the reporting year*

in € thousands	2021	Share
Fixed remuneration	75.0	13%
Long-term variable remuneration*)	0.0	0%
Short-term variable remuneration*)	0.0	0%
Severance payment	500.0	85%
Benefits for health insurance/nursing care insurance/pension insurance**)	3.3	0.5%
Benefits in kind	8.9	1.5%
<b>Total</b>	<b>587.2</b>	<b>100%</b>
Maximum remuneration for a member of the Executive Board	750.0	

\*) In the case of short-term variable remuneration, the payment is made in the following financial year; in the case of long-term variable remuneration, the payment is made after three years.

\*\*\*) Subsidy for health, nursing care and pension insurance in the amount that would accrue on the part of the employer if Mr Linhard had the status of an employee.

*Remuneration of the Executive Board member Bernardo Kral*

Mr Kral was appointed to the Executive Board by resolution of the Supervisory Board on 18 June 2021 with effect from 1 August 2021 for a period of three years. The employment contract of 21 June 2021 concluded at the same time with Mr Kral provided for an annual fixed remuneration of T€ 260.

Mr Kral has approached the Supervisory Board with the wish to leave the service of the company as a member of the Executive Board prematurely at the end of 30 June 2022 in order to take up another position. The Supervisory Board has given its consent. In connection with Mr Kral's resignation from his mandate with effect from 30 June 2022, a termination agreement was concluded which, in addition to the continued payment of the fixed remuneration until his departure on 30 June 2022, provides for the granting of the subsidy for health, nursing care and pension insurance and the use of the leased vehicle. With regard to the variable remuneration components for 2021 and 2022, an agreement was reached to the effect that only the STI for the period from 1 August to 31 December 2021 will be paid out. There shall be no further claims.

For the STI, the degree of target achievement in the reporting year was 100 %. This results in a calculated amount of T€ 45.8 (pro rata for the period from 1 August 2021). Based on the degree of achievement of the additional individual targets agreed with Mr Kral (Top Level Strategy Development: global rollout should be completed at all production sites by the end of the reporting year; global consolidated Lean Journey Assessment should be 2.8 by the end of the reporting year (at the end of 2020, the value was 2.5, planned increase of 12 %) and development of a complete internal logistics concept for Waldenburg by the end of the year (storage, picking, incoming/outgoing goods, material flow, etc.)), the Supervisory Board set the factor for the calculated amount to a total of 1.1. The Supervisory Board has assured itself of the status of the measures and the respective degree of achievement through ongoing reports, discussions and presentations in the committee meetings. The first individual target mentioned could be implemented except for the Tranberg site. A score of 2.73 was achieved in the consolidated Lean Journey Assessment. The third individual target (Waldenburg internal logistics concept) was fully implemented. The Administrative Committee, which is responsible for personnel issues, discussed and prepared the final resolution of the Supervisory Board after further talks with Mr Kral. From setting the factor at 1.1, the total amount for the STI for 2021 (pro rata from 1 August 2021) is T€50.4.

Since the termination agreement concluded with Mr Kral does not provide for any entitlements to the long-term variable remuneration for either 2021 or 2022, the question of the degree of target achievement does not arise.

The company has provided Mr Kral with a subsidy for his health, nursing care and pension insurance in the amount that would accrue on the part of the employer if Mr Kral had the status of an employee. This subsidy amounted to T€ 5.5 in the reporting year on a pro rata basis from 1 August 2021. Mr Kral furthermore received benefits in kind to the value of T€ 5.7. This is the cost of the leased vehicle provided to him.

*Remuneration granted and owed to Bernardo Kral in the reporting year*

in € thousands	2021	Share
Fixed remuneration	108.3	64%
Long-term variable remuneration*)	0.0	0%
Short-term variable remuneration*)	50.4	30%
Benefits for health insurance/nursing care insurance/pension insurance**)	5.5	3.0%
Benefits in kind	5.7	3.0%
<b>Total</b>	<b>169.9</b>	<b>100%</b>
Maximum remuneration for a member of the Executive Board	750.0	

\*) The short-term variable remuneration is paid in the following financial year, and the long-term variable remuneration is paid after three years.

\*\*\*) Subsidy for health, nursing care and pension insurance in the amount that would accrue on the part of the employer if Mr Kral had the status of an employee.

There were no benefits within the meaning of section 162 para. 2 no. 1 of the German Stock Corporation Act (AktG) that were promised to a member of the Executive Board by a third party with regard to his activity as a member of the Executive Board or that were granted in the financial year.

### **Retirement and survivors' benefits in favour of former members of governing bodies and their survivors in the reporting year**

#### **Total remuneration**

Pursuant to section 162 para. 5 sentence 2 of the German Stock Corporation Act (AktG), individualised information on the remuneration of former Executive Board members shall be omitted in all remuneration reports that are published after the expiry of ten years from the end of the financial year in which the respective member ceased to be a member of the Executive Board or Supervisory Board of R. STAHL AG. The following presentation and table therefore only show the remuneration granted and owed individually in financial year 2021 for former members of the Executive Board of R. STAHL AG who left after financial year 2011.

For former members of the Executive Board, former managing directors and their surviving dependents, the remuneration in the 2021 financial year amounted to T€429 (2020: T€429).

The amount of T€429 includes pension payments in 2021 to the former Chairman of the Executive Board, Mr Martin Schomaker (who left the Executive Board on 31 December 2017) in the amount of T€124,123.44 (no change compared to the previous year 2020). Dr Peter Völker (member of the Executive Board until 31 December 2011) received pension payments of T€ 103,172.64 in the reporting year (no change compared to the previous year 2020, amounts are also included in the total).

## **Present value of pension obligations**

The present value of pension obligations for former members of the Executive Board, former managing directors and their surviving dependents amounts to T€7,991 as at 31 December 2021 (2020: T€8,647).

This includes - in relation to the pension commitment for Mr Bernd Marx (member of the Executive Board until 30 June 2018) - a provision (in accordance with IFRS) of T€ 628 (previous year T€ 665). At the time of his leaving on 30 June 2018, the vested entitlement was set at €2,031.27 per month. The pension commitment from the service contract of December 2012 includes a retirement pension after reaching the age of 65 as well as insurance cover in the event of disability.

## **Remuneration of the Supervisory Board**

### **Remuneration system**

The members of the Supervisory Board are entitled to an appropriate remuneration which, both in terms of its structure and its amount, takes into account the requirements for the office of the Supervisory Board and the situation of the company.

### **1. Procedure**

The remuneration of the Supervisory Board is regulated in section 14 of the Articles of Association of the company. Each member of the Supervisory Board receives a fixed annual remuneration, which is determined by the Annual General Meeting and remains valid until the Annual General Meeting resolves a change. For service on a committee and for financial years for which a dividend is distributed, the Annual General Meeting determines additional remuneration in the same manner. The chairpersons of the committees receive twice the remuneration for serving on a committee. The Chairman of the Supervisory Board shall receive twice the remuneration resulting therefrom. The cash expenses and the value added tax are remunerated separately.

If the Executive Board and the Supervisory Board see reason to change the remuneration, they shall submit a proposal for a changed remuneration system or a changed amount of remuneration to the Annual General Meeting. Irrespective of this, the remuneration of the Supervisory Board, including the remuneration system for the Supervisory Board, is submitted to the Annual General Meeting every four years for (if necessary, confirmatory) resolution in accordance with section 113 para. 3 AktG.

The regulations applicable to the handling of conflicts of interest (such as the obligation for early disclosure) are also observed in the procedure for establishing, implementing and reviewing the remuneration system for the Supervisory Board. So far, no such conflict of interest has occurred.

### **2. Remuneration components**

#### ***Fixed annual remuneration***

By resolution of the Annual General Meeting on 22 June 2007, the fixed annual remuneration of each member of the Supervisory Board was increased to €18,000.00 and the remuneration for service on a committee was increased to €3,650.00 with effect from 1 July 2007.

### Variable remuneration

The variable portion of the Supervisory Board remuneration depends on the dividend distributed in the reporting year. For each full percent of dividend distributed in excess of 20 % of the share capital per share, € 800.00 will be paid. By resolution of the Annual General Meeting on 27 June 2008, it was determined with effect from 1 July 2008 that this additional remuneration shall amount to a maximum of twice the fixed annual remuneration of the member of the Supervisory Board or the fixed annual remuneration of the Chairman of the Supervisory Board, and for committee members furthermore twice the additional remuneration for an activity in a committee or for a chairmanship in a committee.

### Total remuneration of the Supervisory Board in the 2021 financial year

The fixed remuneration for the Supervisory Board totalled T€222.0 in the reporting year 2021 (2020: T€216.7). There was no variable remuneration.

Supervisory Board	Fixed remuneration in € thousands	Share in percent	Remuneration for committee activities in € thousands	Share in percent	Variable remuneration in € thousands	Total in € thousands
Peter Leischner	36.00	62	21.90	38	0.00	57.90
Heike Dannenbauer	18.00	83	3.65	17	0.00	21.65
Klaus Erker	18.00	83	3.65	17	0.00	21.65
Nadine Ernstberger	18.00	100	0.00	0	0.00	18.00
Prof Dr Peter Hofmann (as of 15.07.2021)	8.25	100	0.00	0	0.00	8.25
Rudolf Meier (until 15.04.2021)	5.25	83	1.06	17	0.00	6.31
Andreas Müller	18.00	83	3.65	17	0.00	21.65
Dr Renate Neumann-Schäfer	18.00	71	7.30	29	0.00	25.30
Harald Rönn	18.00	92	1.67	8	0.00	19.67
Nikolaus Simeonidis	18.00	83	3.65	17	0.00	21.65
<b>TOTAL</b>	<b>175.50</b>	<b>79</b>	<b>46.53</b>	<b>21</b>	<b>0.00</b>	<b>222.03</b>

### Comparative presentation pursuant to section 162 para. 1 sentence 2 no. 2 AktG

Pursuant to section 162 (1) sentence 2 no. 2 AktG (German Stock Corporation Act), the following table shows the annual changes in the remuneration granted and owed to the members of the Executive Board and the Supervisory Board, the annual change in the average remuneration of the employees on a full-

time equivalent basis as well as the annual change in the earnings development of R. STAHL AG or R. STAHL Group over the past financial years. For the development of the company's earnings, the ratio of the net profit/loss for the year according to the German Commercial Code (HGB) is used. In addition, the EBITDA for the company and the Group are stated.

The presentation of the development of employee compensation is based on the reported personnel expenses and the number of FTEs (full-time equivalents) of R. STAHL's companies in Germany that have employees. Trainees, holiday workers and temporary workers are not taken into account. Pursuant to section 26, paragraph 2, sentence 2 of the Introductory Act to the German Stock Corporation Act (EAG), the presentation of the annual change in average employee remuneration shall be built up successively over a period of 5 financial years. Although the wording of section 162 para. 1 sentence 2 no. 2 AktG does not make it mandatory, it is intended that the presentation of the annual change in the remuneration of the Executive Board and the Supervisory Board as well as the development of the company's earnings shall also be successively extended to a period of five financial years.

### Comparative presentation

in € thousands	2021	2020	Change in 2021/2020
<b>Earnings development</b>			
Net profit of the company (HGB)	-8,509.59	-12,266.73	30.63%
EBITDA of R. STAHL Aktiengesellschaft	-4,468.83	-3,102.30	-44.05%
EBITDA of R. STAHL Group	16,818.32	17,174.53	-2.07%
<b>Relative change in employee remuneration</b>			
<b>R. STAHL AG</b>			
FTE <sup>1)</sup>	43.24	40.75	6.11%
Personnel expenses reported	7,664.73	6,691.75	14.54%
Expenditure per FTE	177.26	164.21	7.94%
<b>R. STAHL companies with employees in Germany<sup>2)</sup></b>			
FTE <sup>1)</sup>	964.95	939.88	2.67%
Personnel expenses reported	78,449.03	76,081.79	3.11%
Expenditure per FTE	81.30	80.95	0.43%
<b>Members of the Executive Board in office during the financial year</b>			
Dr Mathias Hallmann	771.00	597.50	29.04%
Bernardo Kral	167.40	-	-



Jürgen Linhard	587.20	294.10	99.66%
<b>Average</b>	<b>508.53</b>	<b>445.80</b>	<b>14.07%</b>
<b>Former member of the Executive Board</b>			
Martin Schomaker	124.12	124.12	0%
Dr Peter Völker	103.17	103.17	0%
<b>Members of the Supervisory Board in office during the financial year</b>			
Peter Leischner	57.90	57.90	0%
Heike Dannenbauer	21.65	21.65	0%
Andreas Müller	21.65	21.65	0%
Dr Renate Neumann-Schäfer	25.30	25.30	0%
Harald Rönn	19.67	7.50	162%
Prof Dr Peter Hofmann (as of 15.07.2021)	8.25	-	-
Klaus Erker	21.65	21.65	0%
Nikolaus Simeonidis	21.65	19.52	11%
Nadine Sophie Ernstberger	18.00	9.00	100%
Rudolf Meier (until 15.04.2021)	6.31	21.65	-71%
<b>Average</b>	<b>22.20</b>	<b>22.87</b>	<b>-3%</b>
<b>Former members of the Executive Board</b>			
Heinz Grund (until 30.06.2020)	-	10.83	-

**Footnotes:**

- 1) Without trainees, holiday workers, temporary workers
- 2) R. STAHL Aktiengesellschaft, R. STAHL Schaltgeräte GmbH, R. STAHL HMI Systems GmbH, R. STAHL Services GmbH