SEMPERIT
EXPERIENCE FOR TOMORROW

# REMUNERATION POLICY

## Remuneration policy of Semperit AG Holding

The remuneration policy defines the principles which are used for determining the remuneration of the Executive Board and the Supervisory Board of Semperit AG Holding ("Semperit"). The remuneration policy implements the statutory requirements of the Stock Corporation Act (Sections 78 et seq. AktG) and the recommendations of the Austrian Code of Corporate Governance (ÖCGK). The primary aim of the remuneration policy is to promote long-term and sustainable business development.

Semperit's previous remuneration policy was last approved by the Annual General Meeting in 2022 with an approval rate of 82.8%. In response to feedback from investors, the Nominating and Remuneration Committee of the Supervisory Board has thoroughly reviewed and further developed the remuneration policy for the Executive Board. By contrast, the remuneration policy for the Supervisory Board remains unchanged.

The objective of the previous remuneration policy at the Executive Board level was to promote the strategic focus and the sustainable and long-term orientation of the performance-dependent remuneration. In order to align the remuneration policy for the Executive Board even more closely with the interests of our shareholders, the relation to the share price in the performance-dependent remuneration and the equity culture at Semperit were further strengthened. The revised remuneration policy ("Remuneration Policy 2025") will be submitted to the Annual General Meeting 2025 for voting and is intended to come into force retroactively as of January 1, 2025.

## Remuneration of the Executive Board

### Principles of remuneration of Executive Board members

The revised Remuneration Policy 2025 for Executive Board members is based on the following principles:

- **Promotion of corporate strategy**
  The remuneration of the Executive Board members is linked to the implementation of the corporate strategy and the long-term development of the company. In particular, the performance-dependent remuneration components are designed to incentivize the strategic objectives of Semperit. Ambitious targets create important short- and long-term incentives that effectively work towards the implementation of relevant strategic goals.
- **Promotion of long-term focus and sustainability**
  The majority of the performance-dependent remuneration is structured on a long-term basis, incentivizing the Executive Board to act in a sustainable and long-term oriented manner. In addition, a special focus is placed on sustainability in the performance-dependent remuneration, and important incentives are provided to implement Semperit's sustainability strategy.
- **Strengthening the pay-for-performance concept**
  The remuneration of the Executive Board members is predominantly performance-dependent and tied to ambitious, strategy-relevant targets. Both financial and non-financial targets are taken into account in order to comprehensively reflect Semperit's corporate strategy.
- **Ensuring appropriateness and promoting competitiveness**
  The remuneration of the Executive Board is in line with the company's situation and the usual remuneration levels in comparable companies. At the same time, the remuneration reflects the responsibility, scope and complexity of the work of an Executive Board member and their role on the Executive Board as a whole. In order to find and retain suitable candidates for the Executive Board, it is also ensured that the remuneration is competitive.

### Overview of the Remuneration Policy 2025 for the Executive Board

The Remuneration Policy 2025 for the Executive Board is summarized below. The changes compared to the previous remuneration policy are highlighted in the table:

| Remuneration Policy 2022 | | Remuneration Policy 2025 |
|---|---|---|
| | **Performance-independent remuneration components** | |
| Fixed salary, which is paid out in 14 equal installments | Base remuneration | Fixed salary, which is paid out in 14 equal installments |
| Defined contribution pensions are paid via an external pension fund, usually **between 5% and 15%** of the annual base remuneration | Pension contributions | Defined contribution pensions are paid via an external pension fund, amounting to **10%** of the annual base remuneration |
| Essentially:<br>– Company car<br>– Insurance benefits (e.g. accident insurance, legal expenses insurance or foreign travel health insurance, D&O insurance)<br>– Payment of social security contributions<br>– Option of granting a sign-on bonus | Remuneration in kind and other benefits | Essentially:<br>– Company car<br>– Insurance benefits (e.g. accident insurance, legal expenses insurance or foreign travel health insurance, D&O insurance)<br>– Payment of social security contributions<br>– Option of granting a sign-on bonus |
| | **Performance-dependent remuneration components** | |
| Plan type: target bonus model<br>Performance period: 1 year<br>Performance targets (0% – 150%):<br>– Group EBITDA: 70%<br>– **Group ROCE**: 30%<br><br>Modifier (0.8 – 1.2) for collective and individual performance<br>Cap: 150% of the target amount | Short-Term Incentive (STI) | Plan type: target bonus model<br>Performance period: 1 year<br>Performance targets (0% – 150%):<br>– Group EBITDA: 33 – 70%<br>– **Free cash flow**: 30 – 50%<br>– **Net income**: 0 – 33%<br>Modifier (0.8 – 1.2) for collective and individual performance **(incl. optional sustainability targets)**<br>Cap: 150% of the target amount |
| Plan type: **performance cash plan**<br>Performance period: 3 years<br>Performance targets (0% - 200%):<br>– Group ROCE: **30%**<br>– **Net income: 30%**<br>– Relative TSR **vs. ATX Prime and MDAX (excl. banks, insurance and real estate companies in each case): 20%**<br>– Sustainability targets: 20%<br><br>Payout cap: **200%** of the target amount | Long-Term Incentive (LTI) | Plan type: **performance share plan**<br>Performance period: 3 years<br>Performance targets (0% - 200%):<br>– Group ROCE: **40-50%**<br><br>– Relative TSR **vs. industry index: 30-40%**<br><br>– Sustainability targets: 20%<br>**Cap: 200% of the allocated PSUs**<br>Payout cap: **250%** of the target amount |
| | **Further components** | |
| Not provided | Share ownership requirement | **Obligation to invest at least 25% of the LTI payout in company shares each year and to hold these for a period of at least one year** |
| Option of reclaiming performance-dependent remuneration in the event of payments made on the basis of obviously false data (“performance clawback”) | Malus and clawback | Option of reclaiming performance-dependent remuneration in the event of payments made on the basis of obviously false data (“performance clawback”)**, as well as the option of reclaiming and withholding performance-dependent remuneration in the event of significant breaches of duty (“compliance malus and clawback”)** |

In view of the principles for the remuneration of the Executive Board members described above, the reasons for the changes described are as follows:

## Revision of the short-term incentive (STI) remuneration

The revision of the STI performance targets is designed to optimally promote the implementation of Semperit’s corporate strategy and to avoid double incentivization by using the same performance targets in both the STI and LTI. Instead of ROCE, which is already used as a performance target in the LTI, free cash flow as a liquidity ratio and, optionally, the Group’s net income for the year will be used as performance targets in the STI in addition to the Group’s EBITDA. In the future, the weighting of the performance targets will be determined within a range in order to provide the Nominating and Remuneration Committee of the Supervisory Board with sufficient flexibility when setting the targets in order to be able to respond to current developments and set different strategic priorities for each financial year.

In addition, sustainability targets can also be explicitly taken into account in the STI as part of the modifier in the future in order to also place a stronger focus on sustainability in short-term performance-dependent remuneration, in line with market practice and investor expectations. The sustainability targets will be selected – analogous to the LTI – based on a list of criteria derived from Semperit's sustainability strategy. The use of external ESG ratings as sustainability targets will be discontinued in the future.

### Revision of the long-term incentive (LTI) remuneration

In order to increase the share orientation and to create a stronger alignment between the interests of the Executive Board and our shareholders, the LTI will be designed as a performance share plan in the future. The Group ROCE and the relative total shareholder return ("relative TSR") will continue to be used as financial performance targets. The weighting of the financial performance targets will be defined in the form of ranges, analogous to the STI, in order to allow the Nominating and Remuneration Committee a sufficient degree of flexibility. Sustainability targets, which are selected by the Nominating and Remuneration Committee for each tranche based on a list of criteria, will continue to be considered as non-financial performance targets with a weighting of 20%. The payout curve for the relative TSR will be made more ambitious by awarding 100% target achievement only for performance at the 60th percentile, instead of at the median as before.

The future LTI will be capped in two ways. On the one hand, the number of final performance share units ("PSUs"), which is based on the overall target achievement of the performance targets, is limited to 200% of the allocated PSUs. Thus, the incentive level to achieve the LTI performance targets will in principle be maintained compared to the previous performance cash plan. At the same time, the payment amount based on the share price performance is capped at 250% of the target amount, which provides an additional incentive to increase the share price in line with shareholder interests.

### Introduction of a share ownership requirement

The Remuneration Policy 2025 introduces a share ownership requirement for the members of Semperit's Executive Board. Accordingly, all members of the Executive Board are obliged to invest at least 25% of their LTI payment in shares of the company each year and to hold these for a period of at least one year. The introduction of the share ownership requirement strengthens the capital market orientation and equity culture of the company and links the interests of the Executive Board members and our shareholders more closely. Shares already held in the company can be counted towards the share ownership requirement. The respective shareholdings of the Executive Board members will be presented in the annual remuneration report.

### Introduction of comprehensive malus and clawback rules

The previous remuneration policy already included a clawback option for performance-dependent remuneration components if it was subsequently found that these were paid out on the basis of obviously false data ("performance clawback"). In line with investor expectations, these requirements will be extended to include penalty and clawback provisions that also cover compliance violations. Accordingly, performance-dependent remuneration components can be withheld or reclaimed in the event of material compliance violations by a member of the Executive Board ("compliance penalty and clawback").

The option of granting special grants and bonuses remains in place in order to appropriately reflect outstanding performance in extraordinary situations in the remuneration. However, the conditions under which these can be granted will be defined more precisely and more narrowly in the future.

### Remuneration structure

The long-term focus of the Executive Board's remuneration is ensured, among other things, by the remuneration structure. This structure is defined in such a way that the share of long-term performance-dependent remuneration exceeds the share of short-term performance-dependent remuneration. The individual components of the total target remuneration (excluding remuneration in kind and other benefits and other advantages as well as possible special grants and bonuses) are as follows:

### Percentage of remuneration components in target remuneration in %

| | |
|---|---|
| Base salary | 35-50% |
| STI | 15-25% |
| LTI | 25-35% |
| Pension contributions | around 5% |

The ranges shown above serve as a benchmark for the remuneration structure. Since remuneration in kind and other benefits (excluding sign-on bonus) are by nature subject to annual fluctuations, they are not taken into account in the table. The remuneration in kind and other benefits (excluding sign-on bonus) generally account for less than 5% of the target total remuneration (excluding remuneration in kind and other benefits, as well as possible special grants and bonuses) and will be presented in the annual remuneration report. The absolute amounts and the relative proportions of the remuneration components in the respective financial year are shown annually in the remuneration report.

## Performance-independent remuneration components

### Base salary

The base salary consists of a fixed annual salary which is paid in 14 equal instalments, as is customary in Austria. These payments cover all overtime, travel times and all work done beyond the normal working hours applying to employees of the company. They also cover the assumption of Board functions within the Group.

The base remuneration is a fixed competitive payment which incentivizes Executive Board members to act for the welfare of the company in compliance with shareholder and employee interests, as well as in public interest.

### Pension contributions

Semperit pays contributions to an external pension fund for the Executive Board members it employs. These contributions amount to 10% of the annual base salary for all Executive Board members. There are no early retirement programs.

## Remuneration in kind and other benefits

The company can take out a directors and officers (D&O) insurance policy, accident insurance and any other insurance policy expedient for the activities as an Executive Board member, such as legal expenses insurance or foreign travel health insurance. The company can provide the Executive Board members with a company car or, as a substitute for a company car, an appropriate lump sum for the use of their own vehicle. In addition, Executive Board members can be reimbursed for reasonable business expenses incurred in connection with their work as an Executive Board member and travel expenses. Executive Board members enjoy health, pension and accident insurance cover with an Austrian social security institution. Social security contribution costs are split between Executive Board members and the company according to the statutory key, and the company contributes to an employee pension insurance fund as prescribed by law. In the event of the death of an Executive Board member, the company may grant a death benefit to the widow/widower or children of the deceased.

In order to attract highly qualified Executive Board members to the company, Executive Board members appointed for the first time may be remunerated for demonstrably forfeited remuneration from previous employment relationships (“sign-on bonus”). Other costs in connection with the appointment may also be covered (e.g. relocation costs).

## Performance-dependent remuneration components

### Short-Term Incentive (STI)

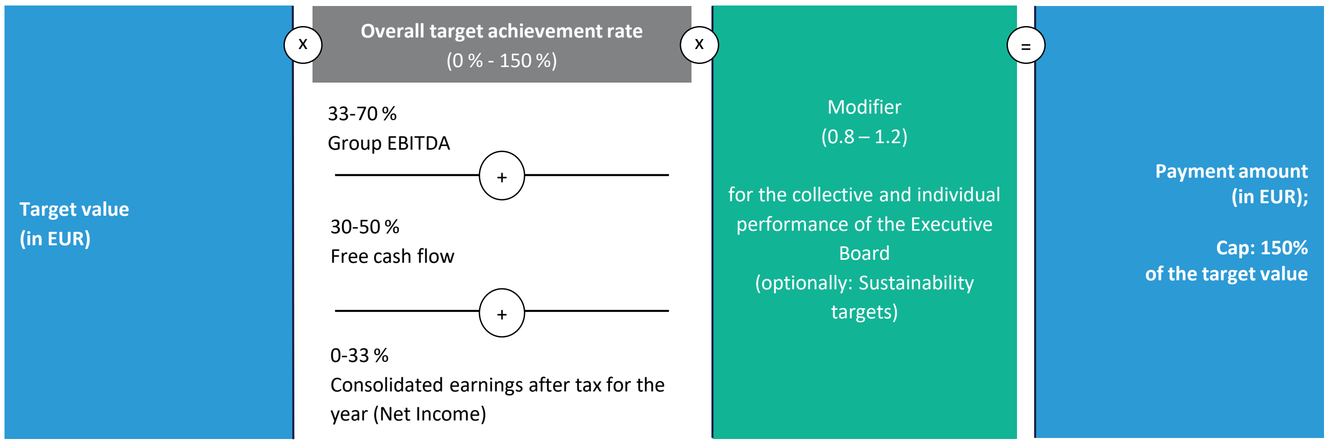
The STI is based on the company’s performance in the respective past financial year and depends on financial and non-financial performance targets. The financial performance targets are Group EBITDA, with a weighting of 33-70%, and free cash flow, with a weighting of 30-50%. Optionally, net income can be considered as an additional performance target, with a weighting of 0-33%.

The Nominating and Remuneration Committee of the Supervisory Board decides annually whether two or three financial performance targets will be used and determines their weighting within the specified ranges. In line with the corporate strategy, the focus is thus on both the development of profitability and liquidity. The non-financial performance targets, which may include collective and individual Executive Board performance as well as optional sustainability targets, are taken into account within the modifier with a range of 0.8–1.2. The consideration of financial and non-financial performance targets thus enables a comprehensive and balanced assessment of the performance of the Executive Board members.

The target amount of the STI is set individually for each member of the Executive Board in their employment contract. The payment of the STI is limited to 150% of the target amount and cannot be exceeded, even if the modifier is applied.

How the STI functions:

**STI**




The Nominating and Remuneration Committee of the Supervisory Board defines target values as well as upper and lower limits for financial performance criteria at the beginning of the year. The target value is determined, among other things, based on the approved budget for the respective year.

**Financial performance criteria – STI**

| Performance | Target achievement rate |
|---|---|
| Upper limit | 150% |
| Target value | 100% |
| Lower limit | 50% |
| Lower limit not reached | 0% |

If exactly the lower limit is reached for the respective financial performance target, the target achievement rate is 50%. If exactly the target value is reached, the target achievement rate is 100%. If the upper limit is reached or exceeded, the target achievement rate is 150% (“cap”). In the area between (i) the lower limit and the target value and (ii) the target value and the upper limit, the target achievement rates are distributed in a straight line (linear interpolation). If the lower limit is not reached, the target achievement rate is 0%. The remuneration component for the respective performance target and the total STI can thus be completely eliminated. The actual target achievement rate is determined after the end of the corresponding financial year based on the audited IFRS consolidated financial statements.

By applying the modifier, the bonus entitlement resulting from the achievement of the financial performance targets can be increased by a maximum of 20% or reduced by a maximum of 20%. As a rule, a modifier of 1.0 is applied. The basis for assessing non-financial performance is the collective performance of the entire Executive Board, the individual performance of each Executive Board member – such as the achievement of important strategic corporate goals or the realization of key projects – as well as optionally sustainability targets. The sustainability targets are derived from Semperit’s current sustainability strategy and thus reflect strategic priorities. For this purpose, the Supervisory Board selects the sustainability targets from the following list of criteria:

| Environment & climate protection | Social | Governance |
|---|---|---|
| Energy | Health protection | Compliance |
| Greenhouse gas emissions | Occupational safety | Corruption |
| Raw materials | Diversity and inclusion | Data protection |
| Material use | Social standards | Information security |
| Waste | Human rights | Consumer protection |
| Water | | |

The specific target values, upper and lower limits and the target achievement for the respective performance target are published and explained in the remuneration report, at least retrospectively. The payment amount is determined by June 30 of the financial year following the end of the assessment period at the latest and then paid out.

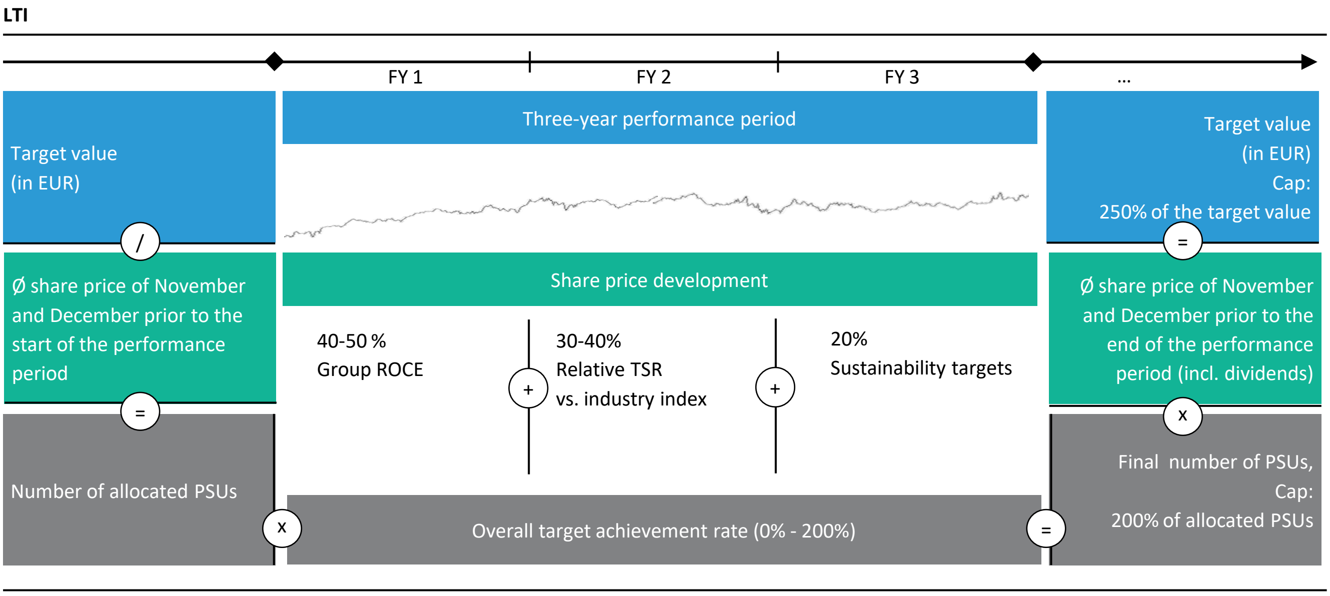
### Long-Term Incentive (LTI)

The LTI is a multi-year, performance-dependent remuneration component with a long-term incentive effect. The LTI is designed as a performance share plan to take into account the share price development. The allocation is made on a rolling basis, i.e., in annual tranches with a three-year assessment period ("performance period"). At the beginning of each tranche, virtual performance share units (PSUs) are allocated provisionally to the Executive Board members. For this purpose, the contractually defined target amount is divided by the average closing price of the share in the months of November and December prior to the start of the performance period. The final number of PSUs depends on the target achievement rate, which is determined based on financial performance targets and sustainability targets. The financial performance targets are Group ROCE, with a weighting of 40-50%, and the relative TSR compared to a peer group, with a weighting of 30-40%.

The Nominating and Remuneration Committee of the Supervisory Board determines the weighting of the financial performance targets within the specified ranges for the respective tranche. Taking into account the planned internal and external performance targets will, on the one hand, incentivize efficient use of capital and, on the other hand, assess the performance of Semperit on the capital market compared to other companies in Semperit's relevant environment, thereby aligning the interests of the Executive Board and our shareholders more closely. Due to the increasing importance of sustainability for Semperit, two to four sustainability targets with a total weighting of 20% are also defined for each LTI tranche based on the criteria described above. This allows the sustainability targets to be aligned with Semperit's business environment and different priorities to be set for each tranche.

The target amount for each tranche is specified individually for each Executive Board member in their employment contract. The payment of the LTI is limited to 250% of the target amount.

How the LTI functions:




At the beginning of the financial year, the Nominating and Remuneration Committee of the Supervisory Board sets the target values as well as upper and lower limits for the financial performance targets for the respective tranche. The relevant sustainability targets and their target values, upper and lower limits are also defined. The sustainability targets are selected from a list of criteria derived from Semperit's current sustainability strategy, analogous to the STI. When selecting the sustainability targets, the Nominating and Remuneration Committee ensures that different targets are used in the STI and LTI.

When setting the performance targets for the LTI, internal sources such as corporate planning as well as external sources such as analysts' expectations and the historical performance of comparable companies can be used. This should ensure that the targets set are ambitious in relation to the competition, which promotes the long-term competitiveness of Semperit.

**Group ROCE and sustainability targets**

| Performance | Target achievement rate |
|---|---|
| Upper limit | 200% |
| Target value | 100% |
| Lower limit | 50% |
| Lower limit not reached | 0% |

If exactly the lower limit is reached for the respective financial performance target, the target achievement rate is 50%. If exactly the target value is reached, the target achievement rate is 100%. If the upper limit is reached or exceeded, the target achievement rate is 200% ("cap"). In the area between (i) the lower limit and the target value and (ii) the target value and the upper limit, the target achievement rates – as far as possible with the sustainability targets – are distributed in a straight line (linear interpolation). If the lower limit is not reached, the target achievement rate is 0%. The remuneration component for the respective performance target and the total LTI can thus be completely eliminated. The target achievement rate is determined based on the audited IFRS consolidated financial statements and the sustainability reporting for the respective performance period.

To assess the target achievement rate of the relative TSR, the TSR performance of Semperit is compared with the performance of the companies in the peer group. The STOXX Europe 600 Industrial Goods & Services is used as the peer group.

If Semperit's TSR equals the 60th percentile within the peer group, the target achievement rate is 100%. The 30th percentile is set as the lower limit with a target achievement rate of 50%, and the 90th percentile is set as the upper limit with a target achievement rate of

200%. Between the 30th and 60th percentiles and between the 60th and 90th percentiles, the TSR target achievement rates are distributed in a straight line (linear interpolation). If Semperit's TSR is below the 30th percentile, the target achievement rate is 0%.

**Relative TSR**

| Performance | Percentile rank | Target achievement rate |
|---|---|---|
| Upper limit | 90th percentile | 200% |
| Target value | 60th percentile | 100% |
| Lower limit | 30th percentile | 50% |
| Lower limit not reached | < 30th percentile | 0% |

At the end of the performance period, the target achievement of the respective performance target is determined based on the defined target values, upper and lower limits, by taking the average over the individual financial years of the three-year performance period. The specific target values, upper and lower limits, and the resulting target achievement for the respective performance target will be published and explained in the remuneration report. For the financial performance targets, the publication in the remuneration report is made at least retroactively after the conclusion of the respective LTI tranche. For the sustainability targets, the publication is also made for newly granted LTI tranches in a forward-looking manner.

The payment amount is calculated by multiplying the final number of PSUs by the average closing price of the share in November and December prior to the end of the performance period plus any dividends during the performance period. The amount calculated in this way is determined at the latest by June 30 of the financial year following the end of the performance period of an LTI tranche and then paid out.

If an Executive Board member resigns before the end of his or her term of office or if an Executive Board member is dismissed for good cause within the meaning of Section 75 of the Stock Corporation Act (AktG), all entitlements to LTI payments for all LTI tranches for which the performance period has not yet expired are forfeited.

## Further components

### Special grants and bonuses

The Nominating and Remuneration Committee reserves the right to grant special bonuses in addition to the remuneration components mentioned above in extraordinary situations for special achievements by an Executive Board member, provided that the granting of such bonuses is for a future benefit of the Group. The option of special bonuses is intended to motivate the members of the Executive Board to manage the company in a sustainable and long-term oriented manner. It is also permissible to grant retention bonuses to Executive Board members in justified cases in order to retain particularly qualified Executive Board members for the company.

### Share ownership requirement

Share Ownership Guidelines have been established for the Executive Board members. Each year, they are obliged to invest at least 25% of their LTI payment (gross) in company shares and to hold them for a period of at least one year. This strengthens the company's equity culture and aligns the interests of the Executive Board members even more closely with those of our shareholders. Shares already held in the company can be counted towards the share ownership requirement. The respective shareholdings of the Executive Board members will be presented in the annual remuneration report.

### Malus and clawback

In line with C-Rule 27 of the Austrian Code of Corporate Governance (ÖCGK), the remuneration policy stipulates that the company can reclaim performance-dependent remuneration components (STI and LTI) if it turns out that they were paid based on obviously false data ("performance clawback"). Furthermore, performance-dependent remuneration components can be withheld in full or in part ("compliance malus") or reclaimed ("compliance clawback") in the event of a material breach of duty by an Executive Board member. Significant breaches of duty include, for example, a breach of a material duty of care within the meaning of Section 84 of the Stock Corporation Act (AktG), a material breach of an obligation under the employment contract or a material breach of another of the Group's principles of conduct, such as the Code of Conduct or the Compliance Policy.

Any claims for damages by the Group, the Group's right to revoke the appointment pursuant to Section 75 (4) AktG and the Group's right to terminate the employment contract of the Executive Board member for good cause pursuant to Section 27 AngG remain unaffected by these provisions.

### Terms of office of Executive Board members

The term of office of an Executive Board member is generally limited to around three years, in exceptional cases a term of up to five years is agreed. Reappointments are permitted. In order to maintain continuity in the composition of the Executive Board, the Supervisory Board takes care to ensure that the contracts of the members of the Executive Board do not predominantly expire on the same date.

### Termination of the office of an Executive Board member

The employment contracts of the Executive Board members are concluded for a fixed term. They can only be terminated for good cause, in particular for the reasons stated in Section 27 of the Employees Act (AngG), without having to observe a notice period. In the event of permanent occupational disability or incapacity or after more than six months of illness, the employment relationship can also be terminated in writing during the contract period by either party with three months' notice as of June 30 or December 31 of each year.

In the event of premature termination of the appointment of an Executive Board member by the company for one of the reasons stated in Section 75 of the Austrian Stock Corporation Act (AktG) or in the event of resignation without good cause and without the consent of the Supervisory Board, the employment contract shall also end automatically at the relevant time.

If severance payments have been agreed with Executive Board members for the event of premature termination without good cause, these may not exceed the annual base remuneration plus the maximum STI for a maximum of one and a half years or any shorter remaining term of the contract ("severance cap").

In special cases, change-of-control clauses may also be adopted. In the event of any such agreements, care is taken to ensure that, where variable remuneration components are paid out prematurely, they are only paid out on a pro-rata basis, i.e. in the amount earned up to the occurrence of the change-of-control event. All agreements and the composition of any amount paid out will be explained in detail in the remuneration report for the respective financial year. In addition, the remuneration report discloses whether and, if so, which termination options have been granted to the Executive Board members and under which conditions they apply. The severance cap remains unaffected by any agreement.

## Procedure for determining and implementing the remuneration policy and the remuneration of the Executive Board

### Determination and implementation of the remuneration policy

The Nominating and Remuneration Committee of the Supervisory Board is responsible for preparing, regularly reviewing and monitoring the implementation of the remuneration policy for the Executive Board. The Supervisory Board is ultimately responsible for determining the remuneration policy. If necessary, the committee and the Supervisory Board are supported by an external remuneration consultant. To avoid conflicts of interest, care is taken to ensure that no such consultant also advises the Executive Board on remuneration matters.

The appropriateness of the remuneration policy is reviewed at regular intervals and adjusted if necessary. Pursuant to Section 78b of the Stock Corporation Act (AktG), it is submitted to the Annual General Meeting for a vote at least every four financial years and whenever there is a significant change. The remuneration policy is implemented by concluding the contracts of the Executive Board members exclusively in accordance with its provisions. Furthermore, the remuneration policy is generally implemented by setting targets for both the STI and the LTI annually in line with the strategy, determining the respective target achievement and, if necessary, by taking further measures to implement the remuneration policy.

### Determination of remuneration

When determining the remuneration of the Executive Board, the tasks and performance of the individual Executive Board members, the situation of the company and the appropriateness of the remuneration are taken into account. In addition, the professional experience and responsibilities of the individual Executive Board members as well as the scope and complexity of their activities are included in the decision-making process. A horizontal remuneration comparison with Austrian and German companies listed on the ATX and MDAX, respectively, is used to determine competitive Executive Board remuneration in line with the market in order to attract, motivate and retain qualified Executive Board members for the company. Furthermore, the remuneration and employment conditions of the company's employees are taken into account in accordance with Rule 26b ÖCGK in order to set the remuneration of the Executive Board in relation to the company's remuneration structure.

The Executive Board members are employed under local Austrian conditions. The remuneration components are therefore set in euros (gross). The employment contracts of the Executive Board members are concluded with Semperit and are subject to Austrian law.

### Derogation from remuneration policy in extraordinary circumstances

In extraordinary circumstances, the Nominating and Remuneration Committee or the Supervisory Board may temporarily deviate from this remuneration policy pursuant to Section 78a (8) AktG. Extraordinary circumstances are deemed to exist whenever deviation from the remuneration policy is necessary for the long-term development of the company or for ensuring its viability (e.g. in the event of a severe economic or financial crisis). Adverse market developments do not constitute extraordinary circumstances justifying a deviation from the rules.

A temporary deviation from the remuneration policy is possible regarding the following components: performance targets of the STI and LTI, ranges of possible target achievement for the individual components of performance-dependent remuneration.

If the incentive effect of the remuneration cannot be adequately restored by adjusting the existing remuneration components under extraordinary circumstances that are particularly challenging from an overall economic perspective or specifically for the company, additional remuneration components may be granted temporarily or individual remuneration components may be replaced by other remuneration components.

In the event of an interim takeover of an Executive Board mandate by a Supervisory Board member, performance-dependent remuneration components and the ratio of base salary to performance-dependent remuneration components may be determined differently in order to provide the Supervisory Board member appointed to the Executive Board with incentives appropriate for the situation.

Even in the event of a deviation from the remuneration policy, the remuneration must continue to be aligned with the long-term and sustainable development of the company and must be consistent with the company's success and the performance of the Executive Board members. A deviation from the remuneration policy under the circumstances mentioned is only possible after careful analysis of these extraordinary circumstances and, upon a proposal by the Nominating and Remuneration Committee, by means of a corresponding resolution of the Supervisory Board confirming the extraordinary circumstances and the necessity for a deviation. In the event of a temporary deviation from the remuneration policy, the following year's remuneration report shall include information on the deviations made, including an explanation of the necessity for the deviations, as well as the specific components of the remuneration policy from which the deviations were made.

## Remuneration of the Supervisory Board

### Principles of remuneration of Supervisory Board members

The Nominating and Remuneration Committee is responsible for preparation and regular review of the remuneration policy for Supervisory Board members. The entire Supervisory Board is responsible for setting up the remuneration policy for the Supervisory Board. Final annual determination of the remuneration for the Supervisory Board is the responsibility of the shareholders' meeting (Section 98 AktG).

Basically, the remuneration for the Supervisory Board consists of a base remuneration for work on the Supervisory Board and for membership of a committee and an attendance fee for Supervisory Board and committee meetings. In view of the greater responsibility and the broader scope of activities the chairperson of the Supervisory Board and his/her deputy, the chairpersons of the committee(s), specific committee members and the financial expert may be granted a base remuneration that is higher than that of regular Supervisory Board members. In addition, Supervisory Board members are entitled to reimbursement of their expenses.

If Supervisory Board members take on a special task in the Group, special remuneration may be granted to them by resolution of the shareholders' meeting.

The remuneration of the Supervisory Board aims to promote the business strategy and long-term development of the company by taking into account the responsibilities and scope of activities of the individual Supervisory Board members as well as the company's economic situation. In order to ensure unbiased monitoring of the management by the Supervisory Board, the Supervisory Board members do not receive variable remuneration, bonuses nor share-based remuneration. This prevents them from being aligned with the interests of the Executive Board.

To attract, motivate and retain the most suitable Supervisory Board members remuneration is defined in a performance-based manner and is in conformity with the market. When defining remuneration that is in conformity with the market not only Austrian but also German enterprises are used as a benchmark. In view of the global business activities of Semperit this is necessary to offer attractive remuneration to highly qualified international candidates.

The company may take out a directors and officers (D&O) insurance for Supervisory Board members.

### Derogation from remuneration policy in extraordinary circumstances

In extraordinary circumstances the shareholders' meeting may temporarily adapt the amount of remuneration for the Supervisory Board and the attendance fees to the situation of the company, if this is necessary for the long-term development of the company or for safeguarding its profitability.

### Term of office of Supervisory Board members and termination

Supervisory Board members are appointed by the shareholders' meeting for a period of approximately three (3) to five (5) years; in extraordinary cases appointments for shorter terms are possible. Re-appointments are permitted. To guarantee continuity on the Supervisory Board the shareholders' meeting will ensure that not all appointments will end on the same date.

The appointment of a Supervisory Board member may be revoked at the AGM by shareholder resolution with a bare majority prior to the end of the term of office. In that case the Supervisory Board member is entitled to remuneration on a pro-rata basis for the financial year concerned.

Every Supervisory Board member may retire from his/her office with no obligation to state reasons by giving four weeks' written notice to the Chairperson of the Supervisory Board.