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# Remuneration system for Executive Board members of Berentzen-Gruppe Aktiengesellschaft

Haselünne (Emsland)

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## Remuneration system for Executive Board members of Berentzen-Gruppe Aktiengesellschaft

### Publication pursuant to Section 120a (2) of the German Stock Corporation Act (Aktiengesetz - AktG)

### Resolution of the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft on approval of the remuneration system for Executive Board members

On December 10, 2020, the Supervisory Board, taking into account the provisions of the new Section 87a (1) AktG brought about by the Act Implementing the Second Shareholders' Rights Directive (ARUG II) on December 12, 2019 and the corresponding recommendations of the German Corporate Governance Code as amended December 16, 2019, and upon recommendation of the Personnel Committee of the Supervisory Board, voted in favour of a modified system for the remuneration of Executive Board members effective January 1, 2021, and submitted the remuneration system to the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft on May 11, 2021, for approval under agenda item 6.

The Annual General Meeting approved the remuneration system for Executive Board members with the following result:

	Number	in % of registered capital stock
Validly cast votes	2,669,038	27.80 %

	Number	in % of validly cast votes
Yes-Votes	2,202,942	82.54 %
No-Votes	466,096	17.46 %

The wording of the resolution and the remuneration system can be found in agenda item 6 and in the description of the remuneration system for Executive Board members of the convening notice and agenda of the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft on May 11, 2021, published in the Federal Gazette (Bundesanzeiger) of March 30, 2021.

The proposed resolution and the description of the remuneration system are reproduced in full below.



**Proposed resolution on approval of the remuneration system for Executive Board members to the Annual General Meeting of Berentzen-Gruppe Aktiengesellschaft on May 11, 2021**

**6. Resolution on approval of the remuneration system for Executive Board members**

On December 10, 2020, the Supervisory Board, taking into account the provisions of the new Section 87a (1) AktG brought about by the Act Implementing the Second Shareholders' Rights Directive (ARUG II) on December 12, 2019 and the corresponding recommendations of the German Corporate Governance Code as amended December 16, 2019, and upon recommendation of the Personnel Committee of the Supervisory Board, voted in favour of a modified system for the remuneration of Executive Board members effective January 1, 2021, that will be presented to the annual general meeting for approval pursuant to Section 120a (1) AktG.

In accordance with Section 120a (1) sentence 1 AktG, the annual general meeting of a stock exchange listed company must vote to approve the remuneration system for Executive Board members presented by the Supervisory Board at least every four years and in the case of any material change in the remuneration system. An initial resolution on the remuneration system for Executive Board members pursuant to Section 120a (1) AktG must be passed by the end of the first annual general meeting following December 31, 2020.

The amended remuneration system is presented below following agenda item 7 under "Description of the remuneration system for Executive Board members (agenda item 6)" and will be presented to the annual general meeting for approval.

The Supervisory Board proposes that the system for remunerating Executive Board members it approved on December 10, 2020, and entering into force on January 1, 2021, presented to the annual general meeting in this meeting notice be approved.



## Description of the remuneration system for Executive Board members (agenda item 6)

### 1. Main features of the remuneration system

The system for remunerating the Executive Board members is designed to be clear and comprehensible.

The remuneration system for the Executive Board promotes the pursuit of the long-term corporate strategy of profitable growth. It supports the achievement of non-financial strategic goals and provides incentives for creating lasting and sustainable value while at the same time avoiding inappropriately large risks. In addition, it also supports the interests of shareholders in receiving a suitable long-term return. Within the scope of the law, the aim is to grant Executive Board members a market-rate and competitive remuneration package in order to retain qualified Executive Board members at Berentzen-Gruppe Aktiengesellschaft as well as to enable the Company to attract new Executive Board members.

The remuneration system for members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft comprises performance-related (variable) and non-performance-related (fixed) components. The ratio of one-year variable remuneration (short-term incentive, STI) to multi-year variable remuneration (long-term incentive, LTI) at a target achievement percentage of 100% in each case is around 40:60. In the case of outstanding achievements or project results, in particular where these contribute to the Company's long-term success, the Supervisory Board may agree to grant an additional voluntary special remuneration. The amount of any additional voluntary special remuneration granted is limited to a maximum of the total of such a remuneration plus the actual STI determined for the financial year in question, which is not permitted to exceed the target value of the LTI (LTI target amount).

### 2. Process for determining, reviewing and implementing the Executive Board remuneration system

The Executive Board remuneration and the underlying system are determined by the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft, with the preparation of the corresponding resolutions of the Supervisory Board delegated to the Supervisory Board's Human Resources Committee. The Supervisory Board and its Human Resources Committee are permitted to use the services of third-party consultants, if necessary. In the event third-party remuneration experts are commissioned, their independence is verified by the Executive Board and the Company.

As a rule, the Human Resources Committee of the Supervisory Board prepares the regular reviews of the system for remunerating Executive Board members for the Supervisory Board. If necessary, it then recommends changes to the Supervisory Board.

The rules applicable to handling conflicts of interest are also taken into account in the process for reviewing the remuneration system, in making changes to the system and in determining the specific remuneration amounts. All Supervisory Board members must disclose conflicts of interest to the Supervisory Board Chairman immediately. In its report, the Supervisory Board must inform the annual general meeting of any conflicts of interest that have arisen and how they were addressed. Material conflicts of interest involving a member of the Supervisory Board that are not merely temporary shall result in the termination of that member's Supervisory Board post.



In the event of material changes, but no less frequently than every four years, the remuneration system is presented to the annual general meeting for approval. If the annual general meeting fails to approve the remuneration system as presented for approval, then it must again be reviewed and presented for a vote no later than the next annual general meeting.

The Supervisory Board may temporarily deviate from the remuneration system if this is necessary for the long-term good of the Company. For example, this includes adjusting the remuneration system in the event of a significant change in the corporate strategy to ensure that appropriate incentives are created, or in the event of a serious economic crisis. The exceptional circumstances underlying and causing a relevant deviation from the remuneration system shall be determined by resolution of the Supervisory Board. The elements of the remuneration system that can be deviated from are the procedure, provisions governing the structure and amount of remuneration, and the individual remuneration components. The Supervisory Board can also temporarily approve expenses for extraordinary incidental benefits if a significant change in the requirement is determined at its discretion. The Supervisory Board also has the right to make special payments to new Executive Board members to compensate them for loss of salary from their previous employment relationship or to cover expenses arising from relocation.

The present Executive Board remuneration system is applicable to all contracts signed as of January 1, 2021, as well as to contract extensions.

### **3. Determination of total target remuneration**

Total target remuneration is the figure that an Executive Board member receives for a financial year (performance period) at 100% target achievement for both variable remuneration components (STI and LTI); it is independent of whether the individual remuneration component is paid out in the financial year in question or at a later date.

The Supervisory Board determines the amount of total target remuneration for each Executive Board member based on the remuneration system. In doing so, it takes into account the economic situation, success and future prospects of Berentzen-Gruppe Aktiengesellschaft as well as ensuring an appropriate level of remuneration considering the duties and performance of each Executive Board member. The Supervisory Board must ensure that the total target remuneration does not exceed standard remuneration without good cause.

Horizontal (external) and vertical (internal) comparisons are conducted to assess whether remuneration is in line with market rates.

#### **3.1 Horizontal comparison**

In the horizontal comparison, the amount of total remuneration of the Executive Board is assessed against an adequate peer group.



The peer group of companies is determined based on the requirements of stock corporation law according to industry, size and country criteria. The metrics regarding company size are material for determining the appropriate remuneration amount and were therefore established as an assessment criterion for the purpose of comparing remuneration. Revenue and headcount are the specific criteria used to build the peer group. In order to take the Company's industry into account in the remuneration comparison, companies in the food and beverage industry were preferred. These were supplemented with other companies of a comparable size to create a sufficiently large, relevant peer group. Sixteen listed German companies were included for the horizontal comparison completed in the fourth quarter of 2020. These companies are comparable with Berentzen-Gruppe Aktiengesellschaft in terms of revenue, EBIT and headcount.

### **3.2 Vertical comparison**

In a vertical comparison, the remuneration and employment conditions of the Company's employees are considered.

The comparison for reviewing appropriateness within the Company involves conducting an analysis of the Company's remuneration structures to determine starting points for assessing a suitable vertical remuneration structure in the Company and how these should be assessed. In this context, cascade effects on the remuneration models of subordinate levels can also be reviewed. The review itself is conducted based on a five-year reference period in compliance with the provisions of Section 162 AktG regarding the remuneration report. The relationship to the top tier of management and to the Company's workforce as a whole serves as the benchmark in this review. If outliers or extreme differences are identified, a detailed analysis must be conducted taking into account remuneration systems and pay scales of the relevant groups of employees in the Company.

## **4. Determination of maximum remuneration**

The maximum remuneration for each Executive Board member equals the sum total of the maximum amounts of all remuneration components for the financial year in question (regardless of whether they are paid out in the financial year in question or at a later date) and is determined by the Supervisory Board for each Executive Board member. The cap for the STI and LTI variable remuneration components is 200% of the target value in each case.

## **5. Specific remuneration components**

### **5.1 Share of total remuneration (total target remuneration, maximum remuneration) accounted for by the remuneration components**

The remuneration of Berentzen-Gruppe Aktiengesellschaft's Executive Board members mainly comprises basic remuneration, benefits, the STI and the LTI. These remuneration components and the applicable calculations are described in greater detail in sections 5.2, 5.3.1 and 5.3.2 below.



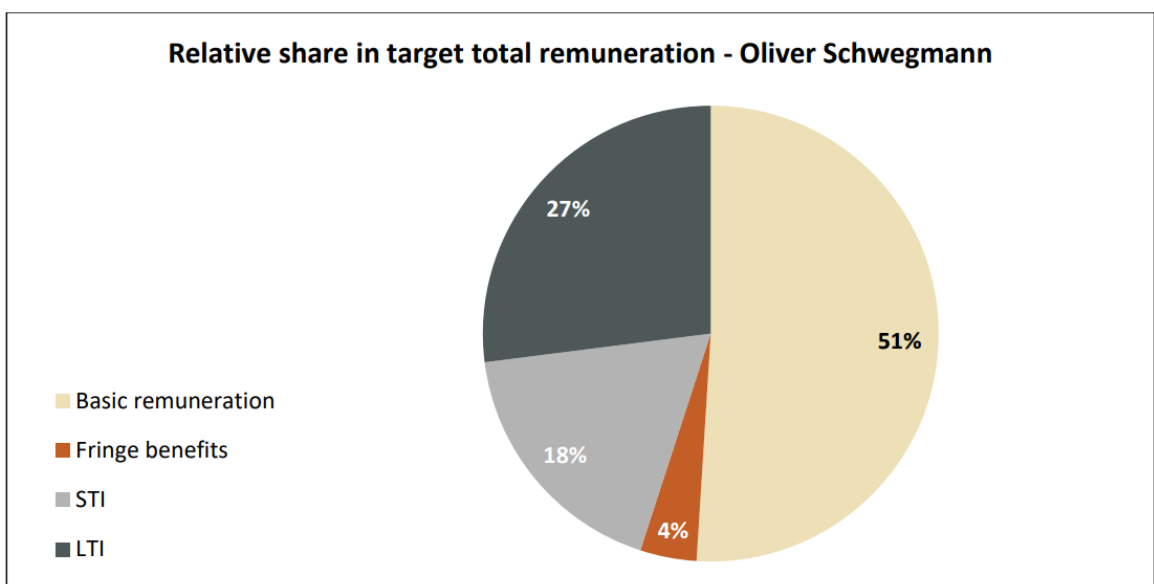
The individual remuneration components are determined individually for each Executive Board member.

The following table provides an overview of the absolute and relative shares of the individual remuneration components in the target total remuneration, broken down by individual Executive Board member:

Target total remuneration Remuneration component	Oliver Schwegmann		Ralf Brühöfner	
	Absolute (in EUR, gross, p.a.)	Relative (in relation to target total remuneration, rounded to full percentage)	Absolute (in EUR, gross, p.a.)	Relative (in relation to target total remuneration, rounded to full percentage)
Basic remuneration	400,000	51 %	360,000	49 %
Fringe benefits (blanket assumption: 4% of target total remuneration)	31,250	4 %	30,000	4 %
Variable remuneration components <sup>1)</sup>	350,000	45 %	350,000	47 %
of which STI (STI target amount)	140,000	18 %	140,000	19 %
of which LTI (LTI target amount)	210,000	27 %	210,000	28 %
<b>Target total remuneration</b>	<b>781,250</b>	<b>100 %</b>	<b>740,000</b>	<b>100 %</b>

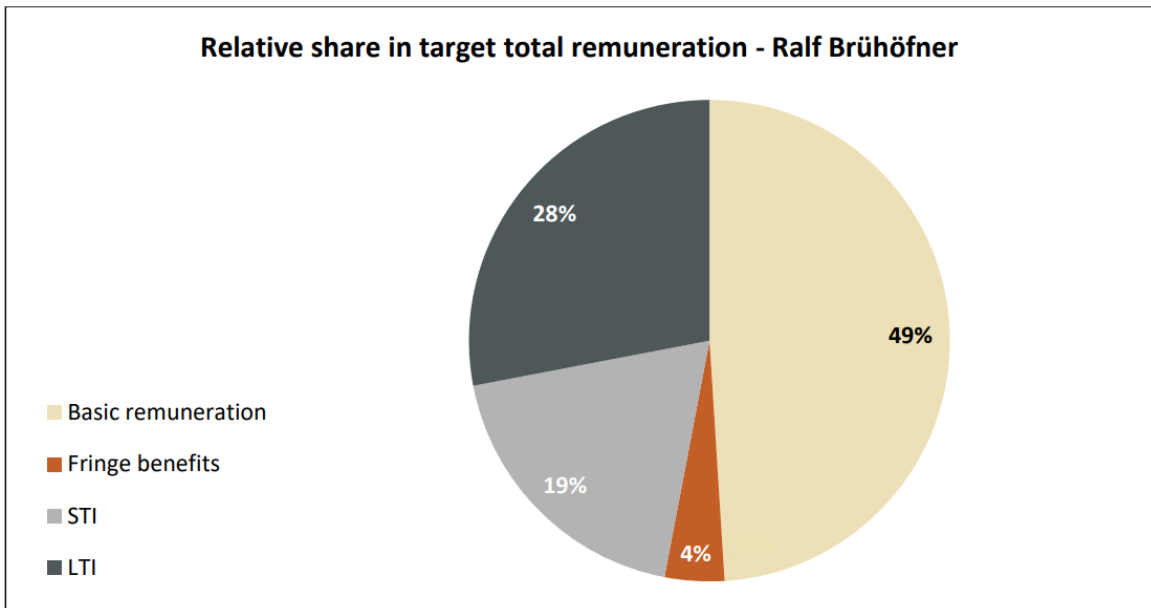
<sup>1)</sup> In each case excluding any voluntary special remuneration. The voluntary special remuneration may only be granted in individual cases at the discretion of the Supervisory Board, if the conditions set out in section 5.3.3 are met; it is capped at an amount that is no larger than the difference between the LTI target amount and the STI actually determined for the specific performance period in such a way that the sum of their gross amount and the STI actually determined is less than the LTI target amount.

The following chart is a graphical representation of the relative shares in Oliver Schwegmann's target total remuneration:





The following chart is a graphical representation of the relative shares in Ralf Brühöfner's target total remuneration:



The following table provides an overview of the absolute and relative shares of the individual remuneration components in the maximum remuneration, broken down by individual Executive Board member:

Maximum remuneration Remuneration component	Oliver Schwegmann		Ralf Brühöfner	
	Absolute (in EUR, gross, p.a.)	Relative (in relation to maximum remuneration, rounded to full percentage)	Absolute (in EUR, gross, p.a.)	Relative (in relation to maximum remuneration, rounded to full percentage)
Basic remuneration	400,000	35 %	360,000	33 %
Fringe benefits (blanket assumption: 4% of target total remuneration)	31,250	3 %	30,000	3 %
Variable remuneration components <sup>1)</sup>	700,000	62 %	700,000	64 %
of which STI	280,000	25 %	280,000	26 %
of which LTI	420,000	37 %	420,000	38 %
<b>Maximum remuneration</b>	<b>1,131,250</b>	<b>100 %</b>	<b>1,090,000</b>	<b>100 %</b>

<sup>1)</sup> In each case excluding any voluntary special remuneration. Any voluntary special remuneration does not apply when considering the maximum remuneration, since in the case of the maximum remuneration the STI actually determined for the specific performance period exceeds the LTI target amount.

If an Executive Board member has not been employed by Berentzen-Gruppe Aktiengesellschaft for the full 12 months in a performance period, the individual remuneration components are granted on a prorated basis.





## 5.2 Fixed remuneration components

The fixed, non-performance-related remuneration comprises the basic remuneration and benefits.

### 5.2.1 Basic remuneration

Each Executive Board member receives a fixed annual basic remuneration. This is paid in 12 monthly instalments.

### 5.2.2 Fringe benefits

The benefits are as follows:

- Company car available for both business and personal use by Executive Board members;
- Annual allowance of EUR 12,000 for paying for a financial instrument suitable for pension purposes;
- Continued payment of remuneration for a period of up to six weeks and subsequent sick pay in the amount of the difference between this and the – hypothetical – sick pay under statutory health insurance for a period of up to nine months, but no longer than the end of the Executive Board employment contract;
- Accident insurance (participation in a group accident insurance policy totalling EUR 1,500 annually);
- D&O insurance, with deductible in accordance with the requirements of the German Stock Corporation Act.

Moreover, the Company grants a one-time payment of moving costs in an appropriate amount. This must be approved by the Supervisory Board in advance.

## 5.3 Variable remuneration components

The variable remuneration paid to Executive Board members is linked to both operational and strategic goals. In addition, Berentzen-Gruppe Aktiengesellschaft aims to ensure an attractive and long-term return for shareholders. To this end, Executive Board members are enabled to participate in the longterm success of Berentzen-Gruppe Aktiengesellschaft as a material incentive by way of the LTI.



### 5.3.1 One-year variable remuneration (STI)

#### 5.3.1.1 Performance parameter and calculation of the STI

The performance parameter for the STI is Berentzen-Gruppe Aktiengesellschaft's consolidated EBIT. This represents the earnings from operations for a financial year (STI performance period) and at the same time represents compensation for the annual contribution toward operational implementation of the corporate strategy.

At the beginning of the relevant financial year, the Supervisory Board specifies a target value for consolidated EBIT for the relevant STI performance period. This target value is equal to the consolidated EBIT resulting from the planned budget for the relevant financial year approved by the Supervisory Board. Target achievement is determined after the end of a financial year based on the audited consolidated financial statements by comparing the target value with the actual consolidated EBIT generated for the relevant financial year and is expressed as a percentage of target achievement.

The bandwidth for target achievement relevant for the STI is between 75% and 120% of the target value.

A target achievement percentage of 75% is the lower threshold for the STI, i.e., no STI is granted for a target achievement percentage below 75%.

The target achievement percentage is limited to 120% of the target value and the amount of the STI is therefore limited to 200% of the STI target amount (cap).

Specifically, the relationship between the target achievement percentage and the amount of STI correlates as follows:

Target achievement (in % of target value)	STI amount
< 75	No STI is granted
= 75	75 % of the STI target amount
> 75 up to 100	Increasing linearly, 75% to 100% of the STI target amount
> 100 up to 120	100% of the STI target amount plus 5% per percentage point of the target value exceeded, thus capped at 200% of the STI target amount <sup>1)</sup>

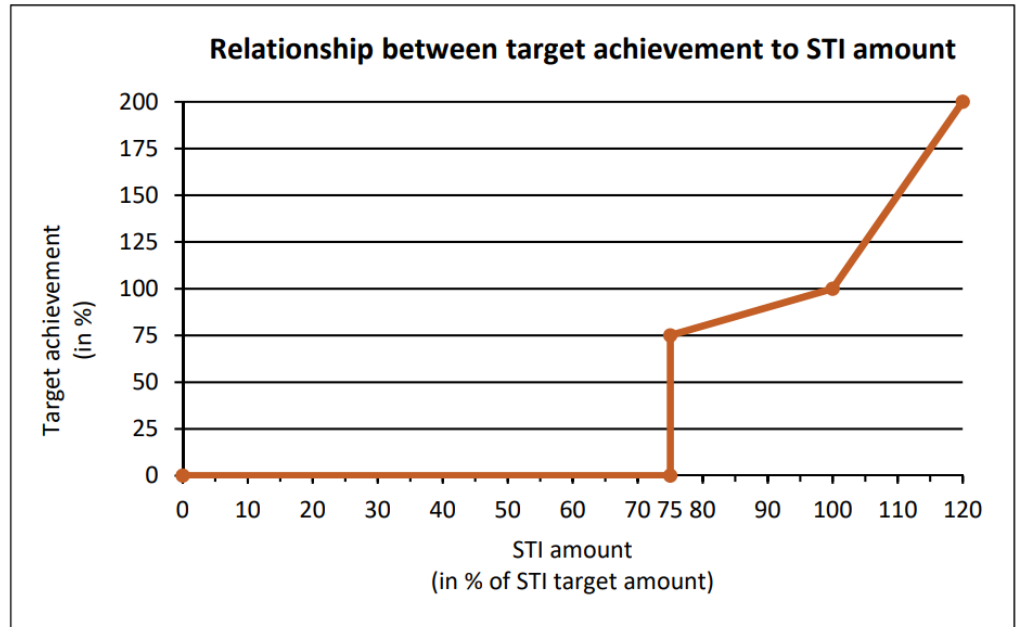
<sup>1)</sup> Examples

Target achievement of 105% STI amount = 125% of STI target amount

Target achievement of 106% STI amount = 130% of STI target amount



The following chart is a graphical representation of the relationship between the target achievement percentage and the resulting STI amount, subject to any adjustment in the event of extraordinary developments (cf. section 5.3.1.2):



### 5.3.1.2 Determination and payment of the STI

The STI for a given financial year is determined in two steps:

First, the target achievement percentage is multiplied by the STI target amount. In the event of extraordinary developments, the Supervisory Board is permitted to adjust the calculated amount by using a discretionary multiplier between 80% and 120%. Extraordinary developments include all exceptional events that are outside of the sphere of influence of Berentzen-Gruppe Aktiengesellschaft and that invalidate the original STI targets, insofar as these were unforeseeable. Generally unfavourable market developments do not qualify as extraordinary developments. The STI target amount may not be adjusted to greater than 200%. In the event of extraordinary developments that necessitate an adjustment, this will be disclosed transparently in the annual remuneration report.

Second, the Supervisory Board reviews whether any breaches of duty or compliance violations by an Executive Board member during the STI performance period necessitate a reduction in the STI determined in the first step. The Supervisory Board decides on the scope of the reduction at its discretion based on the seriousness of the violation. The seriousness of a specific violation is assessed based on the standards in Section 93 AktG, which defines relevant violations including breaches of statutory, regulatory or contractual duties or the violation of internal company rules,



particularly compliance violations. The condition that triggers this malus provision is a violation by an Executive Board member of a degree of seriousness sufficient to justify a reduction in variable remuneration. This is the case in particular if an Executive Board member is responsible for a major breach of fiduciary duty that justifies dismissal for good cause (Section 84 (3) sentence 1 AktG) and/or immediate termination without notice of the service contract in accordance with Section 626 German Civil Code (Bürgerliches Gesetzbuch - BGB). For more information, please see the summary of conditions for reductions and clawbacks of variable remuneration components in section 5.3.4.

The STI determined after completing the second step constitutes the payout amount and will be paid to the Executive Board member in cash. It is due on March 31 of the financial year following the relevant STI performance period if the consolidated financial statements have already been approved by the Supervisory Board at this point, or otherwise immediately after approval of the consolidated financial statements by the Supervisory Board.

## **5.3.2 Multi-year variable remuneration (LTI)**

### **5.3.2.1 Performance parameters and calculation of the LTI**

The LTI is intended to promote long-term successful implementation of the corporate strategy. It comprises a share-based performance parameter and a non-financial performance parameter. The performance period for the LTI amounts to four years (LTI performance period) starting with the financial year in which the specific LTI is awarded.

#### **Share-based performance parameter (TSR)**

The share-based performance parameter aims to incentivise Executive Board members to help achieve a sustainable return on Berentzen-Gruppe Aktiengesellschaft's shares and therefore fully factor in the quantitative interests of Berentzen-Gruppe Aktiengesellschaft's shareholders. The specific incentive is based on the performance parameter of Total Shareholder Return (TSR), which also reflects the share-based portion of variable remuneration. The TSR accounts for 87.5% of the LTI.

The TSR comprises the total return for shareholders over the LTI performance period and is calculated as the ratio of share price performance less dividends paid at the end of the LTI performance period to the share price at the beginning of the LTI performance period.



In order to reduce the effects of incidental or temporary share price developments, the share prices in question are calculated as follows: The starting share price is the average rounded closing price in Xetra trading for the last 90 trading days prior to the start of the LTI performance period. The ending share price is calculated analogously as the average of the closing prices for the last 90 trading days prior to the end of the LTI performance period. The average period for calculating the starting share price is not part of the LTI performance period.

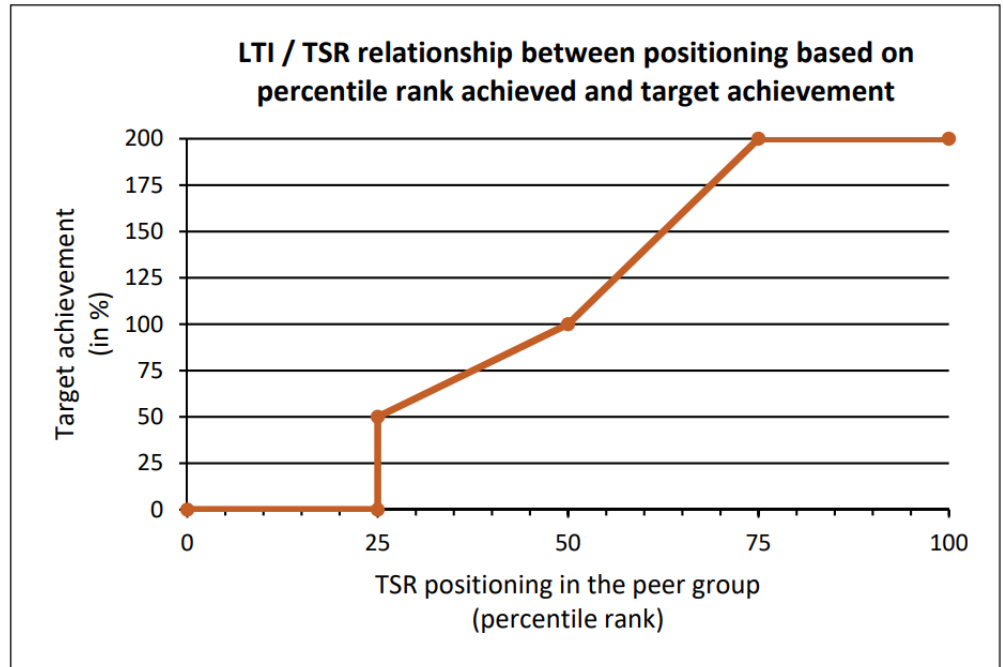
For subsequent use in determining the LTI, the TSR for Berentzen-Gruppe Aktiengesellschaft calculated according to these parameters is compared with the performance of the TSR of the peer group of companies selected for this purpose during the LTI performance period. The peer group comprises the companies listed on the SDAX stock index operated by Deutsche Börse AG, Frankfurt am Main, Germany, during the entire LTI performance period.

The target achievement for TSR is determined by ranking the TSR of Berentzen-Gruppe Aktiengesellschaft and the TSRs of the peer group in order and expressing their relative positioning using a percentile rank. TSR target achievement is determined according to the following percentile system: The possible target achievement percentage ranges from 0% to a maximum of 200%. Positioning below the 25th percentile results in a target achievement percentage of 0%. Positioning at the 25th percentile (threshold) results in a target achievement percentage of 50%. If the relative TSR of Berentzen-Gruppe Aktiengesellschaft corresponds to the median (50th percentile) of the peer group, the target achievement percentage is 100%. The maximum target achievement percentage of 200% requires reaching at least the 75th percentile. Intermediate values are linearly interpolated in case of both a positive and a negative deviation.

The reference group for determining the ranking is the group of companies included in the SDAX on the last day of the LTI performance period, adjusted for companies listed on the SDAX after the start of the LTI performance period. The composition of the group of comparable companies may be adjusted in the event of future changes in market conditions or the Company's situation.



The following overview is a graphical representation of the relationship between the positioning based on the percentile rank achieved and the target achievement percentage in terms of target achievement for the TSR:



#### Non-financial performance parameter

The non-financial performance parameter is intended to reflect the Executive Board's contribution to implementing the corporate strategy and therefore to the Company's long-term performance. It accounts for 12.5% of the LTI.

The non-financial targets are derived from the Corporate Social Responsibility (CSR) strategy and from Berentzen-Gruppe Aktiengesellschaft's corporate strategy.

At the beginning of the relevant LTI performance period, the Supervisory Board specifies the non-financial targets. A total of two to four non-financial targets are determined and are generally weighted equally. When determining the specific non-financial targets, the Supervisory Board defines the conditions for considering the respective target "fully met" (target achievement percentage of 100%) and the parameters for assessing the degree of target achievement. The parameters can be both qualitative and quantitative. Target achievement for the individual non-financial targets is calculated using the following possible percentages:



Target	Target achievement (in %)
Greatly exceeded	200
Considerably exceeded	150
Exceeded	125
Fully met	100
Mostly met	75
Partly met	50
Not met	0

### 5.3.2.2 Determination and payment of the LTI

The LTI for a given LTI performance period is determined in two steps:

First, the weighted total target achievement percentage for the LTI is calculated; this consists of the target achievement percentages for the share-based performance parameter and for the non-financial performance parameter. The total target achievement percentage is subsequently multiplied by the LTI target amount.

Second, the Supervisory Board reviews whether any breaches of duty or compliance violations by an Executive Board member during the LTI performance period necessitate a reduction in the LTI determined in the first step. The Supervisory Board decides on the scope of the reduction at its discretion based on the seriousness of the violation. The seriousness of a specific violation is assessed based on the standards in Section 93 AktG, which defines relevant violations including breaches of statutory, regulatory or contractual duties or the violation of internal company rules, particularly compliance violations. The condition that triggers this malus provision is a violation by an Executive Board member of a degree of seriousness sufficient to justify a reduction in variable remuneration. This is the case in particular if an Executive Board member is responsible for a major breach of fiduciary duty that justifies dismissal for good cause (Section 84 (3) sentence 1 AktG) and/or immediate termination without notice of the service contract in accordance with Section 626 BGB. For more information, please see the summary of conditions for reductions and clawbacks of variable remuneration components in section 5.3.4.

The LTI determined after completing the second step constitutes the payout amount and will be paid to the Executive Board member in cash. The Supervisory Board determines the LTI in the first Supervisory Board meeting of the financial year following the LTI performance period. The LTI payout amount is due by the end of the calendar month following the Supervisory Board's determination.



### 5.3.3 Voluntary special remuneration

In the case of outstanding performance by an Executive Board member or outstanding project results, in particular where these contribute to the Company's long-term success, the Supervisory Board may agree to grant one or more Executive Board members an additional voluntary special remuneration. Any granting of a voluntary special remuneration takes into consideration the contribution of the individual Executive Board member toward the Company's long-term business performance.

The determination is made by the Supervisory Board at its discretion. The Supervisory Board will make use of this opportunity only in exceptional cases if and to the extent necessary to ensure appropriate remuneration for Executive Board members in a specific extraordinary situation, if at the same time the Company receives additional material and/or non-material benefits from the granting of this voluntary special remuneration (e.g., additional consolidated income and/or sustained reduction in expenses thanks to the outstanding performance or outstanding project results; incentive effect in respect of other Executive Board members or current/potential executives), and if the outstanding performance or project results in question have not already been compensated by the STI granted for the relevant performance period. In determining a voluntary special remuneration at its discretion, the Supervisory Board is guided by the parameter according to which the sum total of the gross amount of the voluntary special remuneration that may be granted for the relevant performance period plus the actual STI determined must be less than the LTI target amount.

Any voluntary special remuneration granted is a one-time benefit that does not establish the right to claim such a special remuneration in the future.

The Supervisory Board assesses and determines any possible voluntary special remuneration for the relevant performance period in the Supervisory Board meeting in which it determines the STI for the relevant performance period. The voluntary special remuneration determined is paid out in cash. It is due on March 31 of the financial year following the relevant performance period if the consolidated financial statements have already been approved by the Supervisory Board at this point, or otherwise immediately after approval of the consolidated financial statements by the Supervisory Board.

### 5.3.4 Malus and clawback of variable remuneration components

In the event of a breach of duty or compliance violation by an Executive Board member, the Supervisory Board may reduce the variable remuneration components. The Supervisory Board decides on the scope of the reduction at its discretion based on the seriousness of the violation. The seriousness of a specific violation is assessed based on the standards in Section 93 AktG, which defines relevant violations including breaches of statutory, regulatory or contractual duties or the violation of internal company rules, particularly compliance violations. The condition that triggers the malus provision is a violation by an Executive Board





member of a degree of seriousness sufficient to justify a reduction in variable remuneration. This is the case in particular if an Executive Board member is responsible for a major breach of fiduciary duty that justifies dismissal for good cause or express termination of the employment contract. These options can also be exercised if the term of office or employment relationship with the individual Executive Board member has already ended. Claims for damages against the Executive Board member remain unaffected.

If variable remuneration components linked with the achievement of the relevant targets were paid out on the basis of incorrect data, Berentzen-Gruppe Aktiengesellschaft reserves the right to claw back the difference resulting from recalculation of the amount of the variable remuneration and the payment made. The Supervisory Board will decide on exercising this right at its discretion.

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

The remuneration stipulated by the Executive Board employment contract compensates all activities of Executive Board members for the Company and, if applicable, for companies affiliated with it as defined in Sections 15 et seq. AktG, including all ancillary activities. If an Executive Board member receives compensation payments, expense reimbursements or similar remuneration for such activities, these must be deducted from the fixed remuneration components, unless stipulated otherwise.

The acceptance of Supervisory Board or comparable positions at companies outside the Group by Executive Board members requires the approval of the Supervisory Board. In each case, the Supervisory Board will determine, at its discretion, whether and the extent to which any remuneration for a position at a non-Group company must be deducted.

The term of Executive Board contracts is generally linked to the duration of the member's appointment. In appointing Executive Board members, the Supervisory Board complies with the provisions of Section 84 AktG, particularly the maximum term of five years. If an Executive Board member is reappointed, the Executive Board employment contract runs for the term of reappointment, unless the Company and the individual Executive Board member reach a different or supplemental agreement. The Executive Board employment contract ends without requiring termination at the end of the month in which the Executive Board member reaches the statutory retirement age. If the appointment of an Executive Board member is revoked pursuant to Section 84 (3) sentence 1 AktG for a reason that also justifies termination without notice in accordance with Section 626 BGB, or if an Executive Board member steps down without good cause in accordance with Section 626 BGB, the Executive Board employment contract ends effective immediately.



If an Executive Board employment contract ends prematurely, no payments whatsoever will be made to the Executive Board member that, including benefits, exceed the amount of two times the total remuneration or an amount corresponding to the prorated total remuneration that would have to be paid for the remaining term of the contract (severance cap). The severance cap is calculated based on the total remuneration for the past financial year and, if applicable, the expected total remuneration for the current financial year in which the Executive Board employment contract is ended prematurely. If the employment contract is terminated for good cause that is attributable to the Executive Board member in accordance with Section 626 BGB, no payments are made to the Executive Board member.

The employment contract of an Executive Board member can stipulate the granting of a severance payment in the maximum amount outlined above after termination of the Executive Board member due to a change of control. The following situations constitute a change of control in the aforementioned sense: (1) a mandatory offer for the Company's shares in accordance with the German Securities Acquisition and Takeover Act (WpÜG), or (2) approval of the annual general meeting for a merger with another company in which Berentzen-Gruppe Aktiengesellschaft is the legal entity absorbed, or where the existing shareholders of Berentzen-Gruppe Aktiengesellschaft hold fewer than 50% of the shares of the Company, or a takeover by Berentzen-Gruppe Aktiengesellschaft's principal shareholder would be required in the case of a share acquisition pursuant to WpÜG, or (3) approval of the annual general meeting for a control and profit transfer agreement with Berentzen-Gruppe Aktiengesellschaft as the dependent company.

Benefits exceeding this severance payment are not granted.

Haselünne, May 2021

**Berentzen-Gruppe Aktiengesellschaft**

The Executive Board