

REMUNERATION REPORT

The remuneration level and system for the Board of Management are determined by the Supervisory Board based on preparatory resolutions by the Personnel and Nominating Committee and examined at regular intervals. As part of its preparations, the Supervisory Board also commissions external remuneration studies.

The remuneration of the Board of Management members comprises a fixed and a variable component. The variable component comprises a management bonus made up of an earnings component that reflects the medium-term performance of the company, and a component that is based on personal performance.

The earnings component is based on the development in EBIT and ROCE over a three-year period, and the personal performance component reflects qualitative targets tailored to each individual. There is a defined cap on the variable remuneration. This remuneration system is applicable for all members of the Board of Management.

In 2020, as in the previous year, the remuneration did not include any stock options, stock appreciation rights which work in the same way as stock options or any other share-based components. The remuneration of the Board of Management for 2020 is shown in the following tables:

BENEFITS GRANTED €'000	Thorsten Hermelink Chair				Alexander Borwitzky Member				Raimund Hackenberger Member			
	2019	2020	Min.	Max.	2019	2020	Min.	Max.	2019	2020	Min.	Max.
Fixed remuneration	500	500	500	500	310	310	310	310	300	330	330	330
Fringe benefits	7	15	15	15	9	9	9	9	11	12	12	12
TOTAL	507	515	515	515	319	319	319	319	311	342	342	342
One-year variable remuneration	-	-	-	-	-	-	-	-	-	-	-	-
MULTI-YEAR VARIABLE REMUNERATION FOR THE FINANCIAL YEARS												
2017-2019	-	-	-	-	-	-	-	-	200	220	-	320
2018-2020	-	-	-	-	207	207	-	307	-	-	-	-
2019-2021	335	335	-	535	-	-	-	-	-	-	-	-
2020-2022	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	842	850	515	1.050	526	526	319	626	511	562	342	662
Termination benefits	-	-	-	-	-	-	-	-	-	-	-	-
Benefit expense	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
TOTAL REMUNERATION	843	851	516	1.051	527	527	320	627	512	563	343	663

BENEFITS GRANTED		<i>Nikolaus von Haugwitz</i>		
€'000		<i>Exit 15 June 2019</i>		
	2019	2020	Min.	Max.
Fixed remuneration	122	-	122	122
Fringe benefits	7	-	7	7
TOTAL	129	-	129	129
One-year variable remuneration	-	-	-	-
MULTI-YEAR VARIABLE REMUNERATION FOR THE FINANCIAL YEARS				
2017-2019	-	-	-	-
2018-2020	-	-	-	-
2019-2021	30	-	-	30
2020-2022	-	-	-	-
TOTAL	159	-	129	159
Termination benefits	661	-	-	-
Benefit expense	5	-	6	6
TOTAL REMUNERATION	825	-	135	165

BENEFITS PAID	Thorsten Hermelink		Alexander Borwitzky		Raimund Hackenberger		Nikolas von Haugwitz	
€'000	Chair		Member		Member		Exit 15 June 2019	
	2019	2020	2019	2020	2019	2020	2019	2020
Fixed remuneration	500	500	310	310	300	330	122	-
Fringe benefits	7	15	9	9	11	12	7	-
TOTAL	507	515	319	319	311	342	129	-
One-year variable remuneration	-	-	-	-	-	-	-	-
MULTI-YEAR VARIABLE REMUNERATION FOR THE FINANCIAL YEARS	-	-	-	-	-	-	-	-
2016-2018	420	-	-	-	-	-	37	-
2017-2019	-	-	-	-	30	-	-	-
2018-2020	-	-	75	75	-	-	-	-
2019-2021	-	90	-	-	-	-	30	-
TOTAL	927	605	394	394	341	342	196	-
Termination benefits	-	-	-	-	-	-	661	-
Benefit expense	-	-	-	-	-	-	5	-
TOTAL REMUNERATION	927	605	394	394	341	342	862	-

The former Board of Management member Bernd Hoolmans receives a retirement pension. He was also assured an invalidity allowance. A provision totalling € 268 thousand (previous year: € 271 thousand) was recognised for this commitment at 31 December 2020.

The remuneration of the Supervisory Board was supplemented by a variable component by shareholders' resolution dated 8 June 2000, paid in addition to the fixed component. The Supervisory Board

members currently receive a fixed payment of € 4 thousand per year plus reimbursement of expenses (as well as any VAT, if due, on their Supervisory Board activities). Each Supervisory Board member in addition receives € 1 thousand in attendance fees for each plenary or committee meeting attended. The Chair receives twice this amount, and the Deputy Chair one and a half times it. The remuneration of the Supervisory Board for 2020 is shown in the following table:

€'000	<i>Variable remuneration</i>	<i>Fixed remuneration</i>	<i>Attendance fees</i>	<i>Remuneration for services rendered in person</i>	<i>Total</i>
Detlev Meyer	109	8	28	-	145
Thomas R. Fischer	82	6	20	-	108
Dr. Jörg Haas	54	4	13	-	71
Prof. Dr. Dr. Dres. h.c. Franz Jürgen Sacker	54	4	14	10	82
Wilhelm Weil	55	4	9	-	68
Kim-Eva Wempe	55	4	8	-	67
TOTAL	409	30	92	10	541

The shares held by members of the Board of Management and Supervisory Board are likewise indicated in Note 50 to the consolidated financial statements. Pursuant to Section 17 of the Market Abuse Regulation, the members of the Board of Management and Supervisory Board are obliged to disclose significant acquisitions or disposals of shares in *Hawesko Holding AG*.