

VERGÜTUNGS- BERICHT

NACH § 162 AKTG FÜR
DAS GESCHÄFTSJAHR

2022



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 2022.

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 full content is available at

<https://r-stahl.com/de/global/unternehmen/investor-relations/corporate-governance/erklaerung-zur-unternehmensfuehrung/verguetung-von-vorstand-und-aufsichtsrat/>.

The remuneration report for the 2021 financial year was approved by the Annual General Meeting on 13 July 2022 with 88.89% of the votes cast.

On 13 July 2022, the Annual General Meeting approved a new remuneration system for the Supervisory Board and the corresponding adjustment of the remuneration regulation in the Articles of Association. The new remuneration for the members of the Supervisory Board has been in effect since September 2022 in accordance with section 14 para. 6 of the Articles of Association. It is fully compliant with the German Corporate Governance Code (GCGC) as amended on 28 April 2022 ("Code 2022"). The full content of the remuneration system is available at

<https://r-stahl.com/de/global/unternehmen/investor-relations/corporate-governance/erklaerung-zur-unternehmensfuehrung/verguetung-von-vorstand-und-aufsichtsrat/>.

The remuneration report 2022 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 2022.

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 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. Performance incentives were created 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.

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.

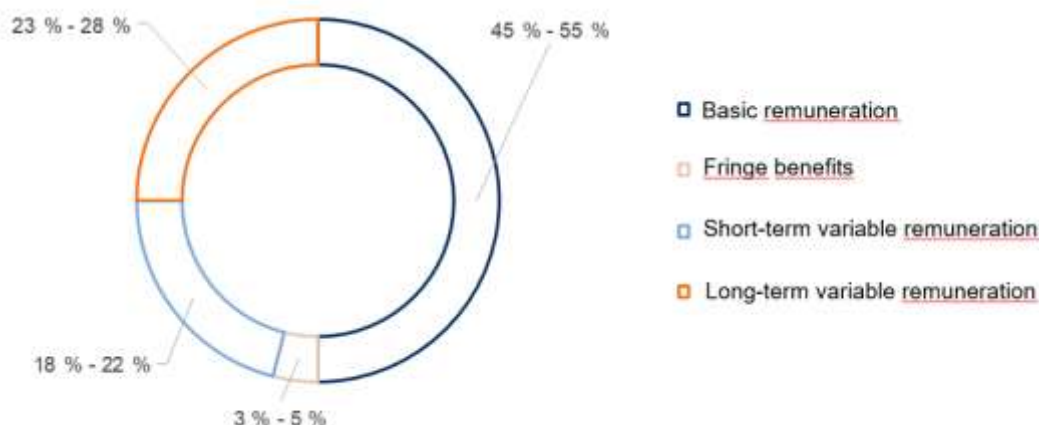
The following overview summarizes the components of the remuneration system of the Executive Board:

Component		Description
Fixed annual remuneration components	Basic remuneration	<ul style="list-style-type: none"> Fixed remuneration paid in twelve equal monthly instalments
	Fringe benefits	<ul style="list-style-type: none"> Accident insurance and D&O insurance contributions Allowances for pension, health and long-term care insurance Lease instalments for a vehicle
Variable annual remuneration components	Short-term variable remuneration	<ul style="list-style-type: none"> Target bonus system Assessment period: financial year Financial sub-component with the equally weighted performance criteria: <ul style="list-style-type: none"> EBIT Free cash flow Individual performance (factor: 0.8 - 1.2) Cap: 160 %
	Long-term variable remuneration	<ul style="list-style-type: none"> Performance Share Plan Assessment period: 3 years Equally weighted performance criteria: <ul style="list-style-type: none"> ROCE EBT Cap: 160 %
Further integral parts of the contract	Maximum annual remuneration	<ul style="list-style-type: none"> Members of the Executive Board: EUR 750,000 Chairman of the Executive Board: EUR 1,100,000
	Minus points and clawback	<ul style="list-style-type: none"> Partial or full clawback of variable remuneration possible
	Personal investment	<ul style="list-style-type: none"> Mandatory personal investment in R. STAHL shares amounting to 50% of the basic remuneration
	Severance payment cap	<ul style="list-style-type: none"> 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

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

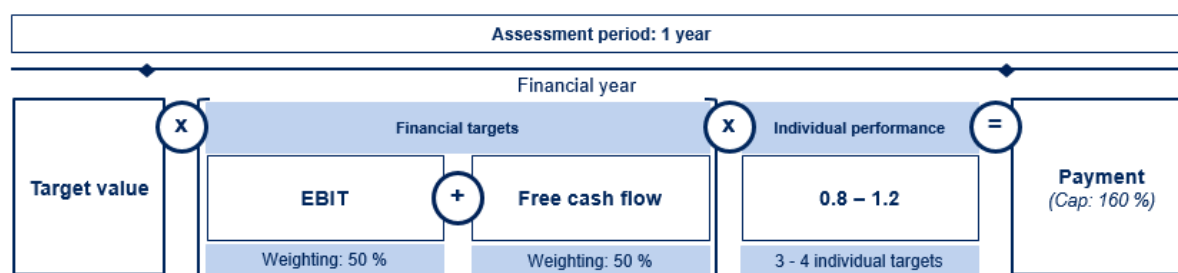
The fringe benefits include an allowance for pension, health and nursing care insurance in the amount that would accrue on the part of the employer if the Executive Board member had the status of an employee. This allowance is naturally dependent on the current contribution assessment limits and the 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 targets per board member, although the targets may vary depending on the individual board member. 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.

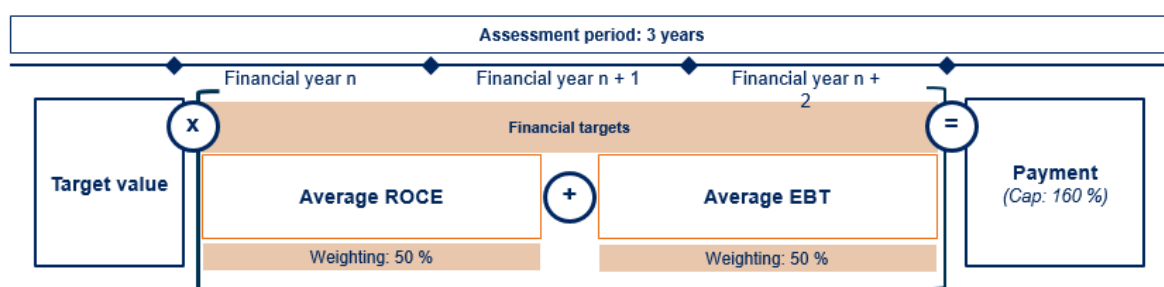
The short-term component is capped at 160% of target achievement. This maximum amount also includes the factor for the individual performance of the Executive Board member. If the degree of target achievement is 70 % or less per individual target, there is no entitlement to short-term variable remuneration. 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 targets and the resulting target achievements as well as the individual targets 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 (minus points) or reclaim variable remuneration components that have already been paid (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 in part or in full (minus points) or reclaim the variable remuneration components already paid (gross) (clawback). If variable remuneration components linked to the achievement of certain targets were wrongly paid 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 2022, 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 Board membership

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 2022

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.

In fiscal year 2022, the Executive Board of R. STAHL AG comprised the following members:

- Dr Mathias Hallmann, member of the Executive Board since 1 October 2017, Chairman of the Executive Board since 1 January 2018
- Bernardo Kral, member of the Executive Board since 1 August 2021; resigned from the Executive Board on 30 June 2022

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 2022 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. Accordingly, the following remuneration components are reported as granted in the remuneration report 2022:

- the fixed remuneration and fringe benefits for the financial year 2022;
- the short-term variable remuneration (STI) for the 2022 financial year, which will be paid in the 2023 financial year; and
- the long-term variable remuneration (LTI) with the assessment period 2020 to 2022, which will be paid in the financial year 2023.

Remuneration is owed if it is due for payment but has not yet been paid despite being due. As R. STAHL AG was not in default with the payment of remuneration components, no remuneration components owed are to be reported for the fiscal year 2022.

Total remuneration of the Executive Board in the 2022 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 target total remuneration for the Executive Board members in office in the reporting year corresponds to the sum of the fixed remuneration, the variable remuneration elements STI and 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 € thousand	Dr Mathias Hallmann	Bernardo Kral (without taking into account the leaving of the company during the year)
Fixed remuneration	420	260
Long-term variable remuneration (LTI) *)	200	130
Short-term variable remuneration (STI)*)	170	110
Benefits for health insurance/nursing care insurance/pension insurance**)	13	13
Benefits in kind	22	21
TOTAL	825	534

*) 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 accrue on the part of 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 105 %. This results in a calculated amount of € 178.5 thousand. On the basis of the degree of achievement of the individual targets agreed with Dr Hallmann (further implementation of group strategy, development of Vision 2030, review of strategy and derivation of measures to restore profitability in Norway, positioning as a sustainability technology provider and public relations work, positioning of R. STAHL), the Supervisory Board has set the factor for the arithmetically resulting 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 2022 is T€196.35.

The target achievement for the long-term variable remuneration was 90 % for the target period from 2020 to 2022. This results in a disbursement amount of T€ 177.75 after this period has been fully completed. For the parallel target periods of 2021 to 2023 and 2022 to 2024, appropriate provisions were made with a weighting of 24/36 and 12/36, respectively, and a current degree of target achievement of 100%. 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€ 17.0. 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 € thousand	2022	Share
Fixed remuneration	420.00	51.0 %
Long-term variable remuneration 2020 to 2022*)	177.75	21.6 %
Short-term variable remuneration 2022*)	196.35	23.8 %
Benefits for health insurance/nursing care insurance/pension insurance**)	13.00	1.6 %
Benefits in kind	17.00	2.1 %
Total	824.10	100.0 %

*) 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 accrue on the part of the employer if Dr Hallmann had the status of an employee.

The maximum remuneration for Dr Hallmann for the 2022 financial year is EUR 1,100,000 gross. Since the maximum remuneration for the 2022 financial year also includes the LTI, which is not to be paid until the 2025 financial year, with the assessment period 2022 to 2024, compliance with the maximum remuneration can in principle only be reported in the 2024 remuneration report. However, based on the target achievement of the STI 2022, it can already be stated that even with a maximum target achievement of the LTI with the assessment period 2022 to 2024, the maximum remuneration for the 2022 financial year will be met.

Remuneration of the Executive Board member Bernardo Kral

Mr Bernardo 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. There are no further claims to variable remuneration.

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 € 7.6 thousand in the reporting year on a pro rata basis. Mr Kral furthermore received benefits in kind to the value of T€ 6.4. This is the cost of the leased vehicle provided to him.

Remuneration granted and owed to Bernardo Kral in the reporting year

in € thousand	2022	Share
Fixed remuneration (until 30 June 2022)	130.0	90.3 %
Long-term variable remuneration		
Short-term variable remuneration 2022		
Subsidy for health insurance/nursing care insurance/pension insurance*)	7.6	5.3 %
Benefits in kind	6.4	4.4 %
Total	144.0	100.0 %

*) 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.

The maximum remuneration for Mr Kral for the 2022 financial year is EUR 750 thousand gross and was complied with.

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

For former members of the Executive Board, former managing directors and their surviving dependents, the remuneration in the 2022 financial year amounted to T€439 (2021: T€429).

The amount of T€440 includes pension payments in 2022 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 (no change compared to the previous year 2021).

Present value of pension obligations

The present value of pension obligations under the German Commercial Code (HGB) for former members of the Executive Board, former managing directors and their surviving dependents amounts to €7,518 thousand as at 31 December 2022 (2021: €7,359 thousand).

This includes - in relation to the pension commitment for Mr Bernd Marx (member of the Executive Board until 30 June 2018) - a provision expense of €587,000 (previous year €541,000). 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 employment 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. For the

respective amount of the fixed annual remuneration, the specific function and responsibility of the Supervisory Board members are taken into account. At the same time, the remuneration shall make the assumption of a mandate as member or chairman of the Supervisory Board or a committee appear sufficiently attractive in order to be able to attract and retain appropriately qualified candidates for the Supervisory Board. This is a prerequisite for the best possible supervision of and advice to the Executive Board, which in turn makes a significant contribution to a successful business strategy and the long-term success of the company

1. Procedure

The remuneration of the Supervisory Board is regulated in section 14 of the Articles of Association of the company. Section 14 of the Articles of Association was last amended by resolution of the Annual General Meeting on 13 July 2022, with effect from the month following the registration of the amendment to the Articles of Association, i.e. with effect from 1 September 2022 (registration of the amendment to the Articles of Association on 23 August 2022). At the same time, further resolutions of the Annual General Meeting on Supervisory Board remuneration were rescinded. The previously applicable remuneration is referred to as "old regulation", the current remuneration as "new regulation". The provision in the Articles of Association is now final. There are no subsidiary or supplementary agreements.

The remuneration rules applied and still apply equally to shareholder representatives and employee representatives on the Supervisory Board. The remuneration and employment conditions of the employees were and are of no significance for the remuneration system of the Supervisory Board. This results from the fact that the Supervisory Board remuneration is granted for an activity which is fundamentally different from the activity of the employees of R. STAHL AG and R. STAHL Group. Therefore, such a vertical comparison with employee remuneration cannot be considered.

If the Executive Board and the Supervisory Board see reason to change the remuneration, they submit a proposal to the Annual General Meeting for a changed remuneration system or a changed amount of remuneration as well as a corresponding proposal to amend the Articles of Association. 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, confirming) resolution pursuant to 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

Each member of the Supervisory Board receives a fixed annual remuneration. This amounted to € 18,000 for ordinary members of the Supervisory Board and € 36,000 for the Chairman of the Supervisory Board under the old regulation and amounts to € 30,000 for ordinary members of the Supervisory Board and € 60,000 for the Chairman of the Supervisory Board under the new regulation.

For service on a committee, a separate fixed annual remuneration has been and will be granted.

- The members of the Audit Committee received an amount of € 3,650 under the old regulation and will receive an amount of € 15,000 under the new regulation. The chairperson of the Audit Committee received € 7,300 under the old regulation and will receive € 30,000 under the new regulation.
- The members in other committees of the Supervisory Board received an amount of € 3,650 under the old regulation and will receive an amount of € 10,000 under the new regulation. The chairperson of such a committee received

€7,300 under the old regulation and will receive €20,000 under the new regulation.

Remuneration for committee activities for a financial year shall be subject to the condition that the committee concerned has met during that period in order to fulfil its duties.

The old regulation also provided for variable remuneration for each member of the Supervisory Board linked to the distributed dividend, which did not apply in the reporting year due to the lack of a dividend distribution. The new regulation does not include variable remuneration.

In addition to the remuneration, the members of the Supervisory Board have received and continue to receive reimbursement of their expenses and, if applicable, of the value added tax payable on the Supervisory Board remuneration. Furthermore, the members of the Supervisory Board were and are included in a pecuniary loss liability insurance policy for executive bodies and certain executives maintained by the company in the interest of the company at an appropriate amount, insofar as such a policy exists. The premiums for this are paid by the company.

The remuneration is linked to the duration of the appointment as a member of the Supervisory Board or the membership in a committee. If a mandate in the Supervisory Board and/or in a committee begins during a financial year or if members of the Supervisory Board leave the body and/or a committee during a financial year, they shall receive the remuneration components rounded up to full months pro rata temporis. Pro rata remuneration for committee activities requires that the committee concerned has met during the relevant period in order to fulfil its duties.

Total remuneration of the Supervisory Board in the 2022 financial year

The fixed remuneration for the Supervisory Board totalled €293.3 thousand in the reporting year 2022 (2021: €222.0 thousand); there was no variable remuneration.

Supervisory Board	Total fixed remuneration in € thousand	Share in percent	Remuneration for committee activities in € thousand	Share in percent	Variable remuneration in € thousand	Total in € thousand
Peter Leischner	44.00	63	26.27	37	0.00	70.27
Heike Dannenbauer	22.00	79	5.77	21	0.00	27.77
Klaus Erker	22.00	79	5.77	21	0.00	27.77
Nadine Ernstberger	22.00	100	0.00	0	0.00	22.00
Prof Dr Peter Hofmann	22.00	100	0.00	0	0.00	22.00
Andreas Müller	22.00	75	7.43	25	0.00	29.43
Dr Renate Neumann-Schäfer	22.00	60	14.87	40	0.00	36.87
Harald Rönn	22.00	79	5.77	21	0.00	27.77
Nikolaus Simeonidis	22.00	75	7.43	25	0.00	29.43
TOTAL	220.00	75	73.30	25	0.00	293.30

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 (EgAktG), the presentation of the annual change in average employee remuneration shall be built up successively over a period of 5 financial years.

Comparative presentation

in € thousand	2022	2021	2020	Change in 2022/2021
Earnings development				
Net profit of the company (HGB)	2,070.24	-8,509.59	-12,266.73	N/A
EBITDA of R. STAHL Aktiengesellschaft	1,121.68	-4,468.83	-3,102.30	N/A
EBITDA of R. STAHL Group	20,587.95	16,818.32	17,174.53	22 %
Relative change in employee remuneration				
R. STAHL AG				
FTE ¹⁾	46.71	43.24	40.75	8 %
Personnel expenses reported	7,003.57	7,664.73	6,691.75	-9 %
Expenditure per FTE	149.94	177.26	164.21	-15 %
R. STAHL companies with employees in Germany ²⁾				
FTE ¹⁾	993.26	964.95	939.88	3 %
Personnel expenses reported	82,008.35	78,449.03	76,081.79	5 %
Expenditure per FTE	82.56	81.30	80.95	2 %
Members of the Executive Board in office during the financial year				
Dr Mathias Hallmann	824.10	771.00	597.50	7 %
Bernardo Kral (until 30.06.2022)	144.00	167.40	-	-14 %

Average	489.25	469.20	-	4 %
Former member of the Executive Board				
Martin Schomaker	124.12	124.12	124.12	0 %

Members of the Supervisory Board in office during the financial year				
Peter Leischner	70.27	57.90	57.90	21 %
Heike Dannenbauer	27.77	21.65	21.65	28 %
Andreas Müller	29.43	21.65	21.65	36 %
Dr Renate Neumann-Schäfer	36.87	25.30	25.30	46 %
Harald Rönn	27.77	19.67	7.50	41 %
Prof Dr Peter Hofmann (as of 15.07.2021)	22.00	8.25	-	167 % ³⁾
Klaus Erker	27.77	21.65	21.65	28 %
Nikolaus Simeonidis	29.43	21.65	19.52	36 %
Nadine Sophie Ernstberger	22.00	18.00	9.00	22 %
Average	32.59	23.97	23.02	36 %

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

3) Due to joining the Supervisory Board during the year 2021