



## **Description of the new remuneration system for members of the Executive Board**

### **I. Objective of the Executive Board remuneration system and strategic reference**

The objective of the new remuneration system for the Executive Board of Südzucker AG is to remunerate the members of the Executive Board appropriately in accordance with their tasks and performance. At the same time, it should provide more incentives than is currently the case for sustainable corporate governance and a sustainable increase in the Company's value. The new Executive Board remuneration has four components, namely a fixed, non-performance-related, basic remuneration (payable monthly), a one-year, performance-related, variable remuneration and a multi-year, performance-related, variable remuneration; in addition, the customary non-cash fringe benefits are granted. The objectives and business targets for the one-year and multi-year variable remuneration are derived from the Südzucker AG Group's corporate planning. The strategic objectives are based on sustainability aspects, which create incentives for a corporate governance and sustainable commitment geared to long-term development. The aspect of sustainability is further emphasised by the fact that the multi-year variable remuneration accounts for more than half the variable remuneration elements; the long-term variable remuneration is consequently given a higher priority than the short-term variable remuneration, which should also oblige and encourage the Executive Board members to commit to sustainable corporate governance. The introduction of malus and clawback provisions strengthens the position of the Supervisory Board in the event of gross breaches of duty by the members of the Executive Board.

## **II. Procedures for setting, implementing and reviewing Executive Board remuneration**

The Supervisory Board defines the Executive Board remuneration system in accordance with the provisions of sections 87a, 87(1) AktG. It is supported in this by the Supervisory Board Presiding Committee ("**Presiding Committee**"), which submits proposals to the Supervisory Board, in particular on the objectives and targets to be reached by the Executive Board members and makes preparations for the regular review of the remuneration system by the Supervisory Board.

The Supervisory Board submits the remuneration system to the Annual General Meeting for approval. If the Annual General Meeting does not approve the respective remuneration system put to the vote, the Supervisory Board submits a revised remuneration for approval in accordance with section 120a(3) AktG by no later than the next Annual General Meeting.

The Presiding Committee recommends changes to the Supervisory Board if it considers them necessary or advisable. If significant changes are made to the remuneration system, but at least every four years, the Supervisory Board shall again submit the remuneration system to the Annual General Meeting for approval in accordance with section 120a (1) sentence 1 AktG.

The remuneration is regularly reviewed by the Supervisory Board. Criteria for the appropriateness of the remuneration are both the tasks allocated to the individual Executive Board member and their personal performance and the overall performance of the Executive Board as well as the economic situation, the success and future prospects of the Company and finally comparable levels of remuneration in the relevant sector and the remuneration structure in place elsewhere within the Company. The remuneration data of relevant companies from the S-DAX and the M-DAX and the food industry are used as a guide for the market comparison. In addition to this horizontal comparison, the Supervisory Board follows the recommendations of the German Corporate Governance Code, unless otherwise stated in the Declaration of Conformity pursuant to section 161 AktG, and also makes a vertical comparison between the remuneration of members of the Executive Board and the development of the remuneration of senior management and the workforce as a whole. If necessary, the

Supervisory Board may call in external consultants, ensuring their independence from the Executive Board and the company when selecting them.

To avoid conflicts of interest, members of the Supervisory Board, the Presiding Committee and all committees are obliged to disclose any conflict of interest to the Chairman of the Supervisory Board. In the event of a conflict of interest, the members of the Supervisory Board shall not participate in the adoption of resolutions on the relevant agenda items in the Supervisory Board or the Presiding Committee or in the respective committees. Should the conflicts of interest be material and not merely temporary, this will lead to the termination of the supervisory board mandate.

This remuneration system applies in each case to all Executive Board members of Südzucker AG appointed at the Company from 1 March 2021. Incumbent Executive Board members may change to the new remuneration system. Switching to the currently valid remuneration system is mandatory if the service agreements of the incumbent Executive Board members are extended.

### **III. Definition of the specific maximum remuneration**

The Supervisory Board determines the amount of the target and maximum remuneration for the Executive Board members in accordance with the remuneration system for each respective upcoming financial year (section 87a(1) No 1 AktG). Target remuneration means the amount paid as a variable remuneration component in addition to the fixed salary (or in the case of multi-year variable remuneration paid by transferring shares) if all the targets set by the Executive Board are reached. On the other hand, the maximum remuneration describes the sum of all the remuneration components, including other non-cash fringe benefits and pension expenses ("**maximum remuneration**"); it is determined by the Supervisory Board as the maximum amount that can be paid out for each financial year.

The guiding principle for determining the maximum remuneration is that the Executive Board members are remunerated appropriately in terms of their duties and performance as well as the situation of the company and that the remuneration does not exceed the normal level of remuneration unless there are special reasons. When determining the amount of remuneration, the Supervisory Board shall also ensure that the share of the long-term variable remuneration components outweighs that of the

short-term remuneration components so that the remuneration structure provides long-term incentives for the Executive Board, thus supporting the sustainable business strategy and development of Südzucker AG.

With regard to the amount of the target and maximum remuneration, the Supervisory Board is required to take sufficient account of the function and area of responsibility of each Executive Board member. According to its best judgement, the Supervisory Board may therefore make function-specific differentiations, taking into account parameters such as task and business area, experience of the respective Executive Board member and compliance with usual market rates. In doing so, the Supervisory Board shall ensure that the variable remuneration components make up around half of the total remuneration, i.e. the sum of the fixed salary, variable remuneration and other non-cash fringe benefits, and that the long-term variable remuneration is weighted higher than the short-term variable remuneration.

The maximum remuneration is determined and adjusted on the basis of the above market comparison (horizontal comparison) and the comparison with the remuneration development in the senior management as well as in the rest of the Company's workforce (vertical comparison).

Once the comparisons have been made, the maximum remuneration is determined by the Supervisory Board as follows: for the CEO (Chairman of the Executive Board), the maximum remuneration is €1,822,220.00, and for the other members of the Executive Board, the maximum remuneration is €1,445,000.00. The maximum remuneration refers to the sum of all payments and other non-cash benefits in a financial year.

#### **IV. Remuneration elements in detail**

The Executive Board remuneration generally provides for fixed non-performance-related and variable performance-related remuneration components.

The non-performance-related remuneration components comprise the fixed salary, other fringe benefits and the pension obligation.

The variable performance-related remuneration components consist of a one-year variable remuneration and a multi-year variable remuneration.

To support the sustainable and long-term business strategy and development of Südzucker AG and provide corresponding incentives for the Executive Board members, the fixed salary accounts for only around 40% of the direct remuneration (variable target remuneration including fixed salary), the one-year variable target remuneration 25% and the multi-year variable target remuneration 35% of direct remuneration.

The variable remuneration elements are also supposed to be an opportunity for and a necessary correction of the total Executive Board remuneration if targets are not met. If the targets set are not achieved to a certain minimum degree as determined by the Supervisory Board, the respective variable remuneration is forfeited. If the Executive Board member has knowingly breached their duties, the variable remuneration may be reduced by the Supervisory Board to zero (*Malus*) or also reclaimed (*Clawback*). If the targets are significantly exceeded, the gross payment of the short-term remuneration is capped at 130% and the gross amount of the long-term variable remuneration at 150% of the respective target remuneration set by the Supervisory Board, which assumes a target attainment of 100%.

## **1. Fixed salary**

The Executive Board members receive an annual fixed salary in the form of a cash remuneration which is based on their remit and responsibilities and is paid in twelve equal instalments.

## **2. Remuneration in kind and other fringe benefits**

Each member of the Executive Board also receives the following remuneration in kind and fringe benefits:

- Provision of a company car, which may also be used privately
- Luggage insurance
- D&O insurance with an excess pursuant to section 93(2) sentence 3 AktG
- Accident insurance

- Participation in preventive health measures.

As part of the maximum remuneration, the Executive Board member may be granted the usual subsidies for social security premiums and tax-deductible insurance products.

### **3. One-year variable remuneration**

The performance-related one-year variable remuneration (“**OVR**”) arises from the attainment of a business target, in this case an EBITDA set by the Supervisory Board as a target for the Group (*see glossary at the end of this section*), and the achievement of strategic goals. These two target achievement values are multiplied by the target remuneration (“**OVR target remuneration**”) set by the Supervisory Board for each Executive Board member at the beginning of a financial year. The result of this multiplication is the OVR payout amount (*for calculation examples, see subsection 3.4*).

The target values for the EBITDA and the strategic goals are discussed with the entire Executive Board by the Supervisory Board before the beginning of each financial year based on a proposal by the Presiding Committee of the Supervisory Board, determined by the Supervisory Board at its reasonable discretion and sent to the Executive Board member in the form of a target notification.

#### **3.1 EBITDA as business target**

At the beginning of each financial year, the Supervisory Board, in consultation with the entire Executive Board, sets a target value, a minimum value and a maximum value for the Group EBITDA to be achieved in that financial year.

The target value reflects a 100% target attainment, the minimum value a 50% target attainment and the maximum value a 130% target attainment (*Outperformance*).

If the minimum value for EBITDA is not achieved, the OVR is forfeited even if the strategic goals are met. The payout is determined in a linear way in a range

between the minimum and target value and between the target and maximum value.

The consolidated financial statements of Südzucker AG approved by the Supervisory Board are the basis for determining the EBITDA actually achieved. Subsequent changes to the consolidated financial statements based on the external tax audits or other reasons will not affect the findings already made.

### 3.2 Strategic goals

The strategic goals are based, among other things, but not exclusively, on the contributions to sustainable development of the Südzucker AG Group and on stakeholder interests as well as other sustainability criteria, in particular the continued development of *Environmental Social Governance* (ESG) and *Corporate Social Responsibility* (CSR) in the Südzucker AG Group. At the end of the financial year, the Supervisory Board determines the level of target attainment after consulting the Executive Board. In contrast to EBITDA, the target achievement levels for the strategic goals are not converted to a percentage value, but converted into a multiplier ("*Modifier*"). This is between 0.8 and 1.2; the number 1.0 reflects 100% target attainment.

### 3.3 Maximum OVR

The maximum factor to be set in the calculation for EBITDA is 130%. The maximum amount that can be paid out as OVR is therefore 130% of the OVR target remuneration multiplied by the maximum level of attainment of the strategic goals (1.2), i.e. 156% of the OVR target remuneration (130% x 1.2 = 156%).

### 3.4 Calculation examples (notional values):

Premises of examples 1 to 4:

OVR target remuneration in €	Minimum value EBITDA	Target EBITDA	Maximum value EBITDA	Modifier
	PR: 50%	PR: 100%	PR: 130%	
<b>300,000.00</b>	<b>€500 million</b>	<b>€650 million</b>	<b>€800 million</b>	<b>1.2</b>

PR= payout ratio measured against OVR target remuneration

**Example 1: EBITDA actually achieved is below €500 million**

Result: No OVR is payable because the minimum value of the target EBITDA has not been reached.

**Example 2: EBITDA actually achieved is €500 million**

Calculation formula:

$$\begin{aligned} & (\text{OVR target remuneration (300,000.00)} \times 50\% = 150,000.00) \times 1.2 \\ & = \mathbf{€180,000.00} \end{aligned}$$

Result: €180,000.00 is payable as OVR.

**Example 3: EBITDA actually achieved is €700 million**

The actual target achievement value is between the target EBITDA (€650 million) and the maximum value (€800 million). This means that the 100% payout ratio already achieved (= €300,000.00) must be increased proportionally by the percentage by which the target EBITDA has been exceeded due to the achievement of the target EBITDA of €650 million. In this case, it was by a third (€50 million).

Calculation formula:

$$\begin{aligned} & (\text{OVR target remuneration (€300,000.00)} + (90,000.00 \times 33.33\% = \\ & \mathbf{30,000.00)) \times 1.2 = \mathbf{€396,000.00} \end{aligned}$$

Explanation:

Of the maximum €800 million (which would trigger a further €90,000.00 payout) €700 million was achieved. This equates to a third (33.33%) of the potential additional payout sum (90,000.00 x 33.33% = €30,000.00). This delta is to be



added to the OVR target remuneration and the result should then be multiplied by the modifier.

Result: €396,000.00 should be paid out as OVR.

#### **Example 4: EBITDA actually achieved is €550 million**

The actual target achievement value is between the minimum value (€ 500 million) and the target EBITDA (€650 million). The 50% payout ratio already achieved (= €150,000.00) must therefore be increased proportionally by the percentage by which the minimum value has been exceeded due to the achievement of the minimum value of €500 million. In this case, it was by a third (€50 million).

Calculation formula:

$$\text{(Half the OVR target remuneration (€150,000.00) + (150,000.00 x 33.33\% = 50,000.00)) x 1.2 = €240,000.00}$$

Result: €240,000.00 should be paid out as OVR.

## **4. Multi-year variable remuneration**

In addition to the fixed salary and the OVR, the Executive Board members receive a multi-year variable remuneration (“**MVR**”).

### **4.1 Performance-related share programme**

The MVR consists of a share in a performance-related share programme (*Performance Share Plan*) set up by the Supervisory Board in the form of a block of shares that the Company acquires for each Executive Board member at the beginning of each financial year (if appointed during the year, at the beginning of the employment relationship) and which is held in a custody account of the company for three years in each case (“**Vesting Period**”) until it is established that the targets have been reached. At the end of the Vesting Period, the Supervisory Board ascertains to what extent the business target it has set has been reached. The number of shares finally allocated to the Executive Board member depends on the achievement of the target. If the

defined minimum target achievement value is not reached, the MVV is not applicable.

#### 4.2 Block of shares to be allocated initially (Initial Grant)

The number of shares to be allocated to the Executive Board member at the beginning of the respective Vesting Period (“**Initial Grant**”) is based on the target remuneration for the MVR set for the respective Executive Board member by the Supervisory Board (“**MVV target remuneration**”) divided by the average share price of the last 3 months before the end of the financial year preceding the allocation. When assigning the Initial Grant, it is assumed that the target values have been achieved in full (100% target achievement). The number of shares is rounded up to full units.

##### Example (notional values):

If the MVR target remuneration is €100,000.00 and the average share price is €10.00, the initial grant amounts to 10,000 shares.

The shares from the Initial Grant are acquired by Südzucker AG via the stock exchange and held in a share deposit account opened by the company for the duration of the respective Vesting Period until the final number of shares to be allocated to the Executive Board member has been determined. The Executive Board member may not therefore dispose of the respective Initial Grant before the end of the respective Vesting Period and determination of the final allocation (Final Grant – see subsection 4.3). Dividends accruing on the Final Grant during the respective Vesting Period are added together at the end of the Vesting Period and allocated to the Final Grant in the form of other shares in accordance with subsection 4.3 below.

#### 4.3 Actual allocation of shares (Final Grant), ROCE

The number of shares to which the Executive Board member is entitled after expiry of the respective Vesting Period depends on the extent to which the business target for the *Return on Capital Employed (ROCE - see glossary at the end of this section)* set by the Supervisory Board for the Südzucker AG Group has actually been achieved. The target value for the ROCE in the Südzucker AG Group is set by the Supervisory Board at the beginning of the

Vesting Period with a minimum, maximum and one hundred percent value. The determinations relate to the average value of the three years of the respective Vesting Period.

The Final Grant is composed of the shares earned by the Executive Board member according to the ROCE target achievement and the shares that correspond in value to the dividend payments accruing on the shares earned during the Vesting Period. In order to include the dividends in the calculation of the Final Grant, the dividends are converted into shares. This conversion is based on the same share price that is used to calculate the Final Grant according to the ROCE target achievement, i.e. the ex-dividend price on the first stock exchange trading day following the Annual General Meeting in which the consolidated financial statements for the last financial year of the respective Vesting Period are presented.

For the calculation of the Final Grant, the Initial Grant is multiplied by the actual ROCE percentage target achievement according to the following explanations.

Depending on the target attainment, the number of shares is increased or reduced after the end of the Vesting Period. If the Initial Grant is to be increased, Südzucker AG buys more shares for distribution to the respective Executive Board member; if the Initial Grant is to be reduced, Südzucker AG can freely dispose of the remaining shares. The Final Grant determined according to the above mechanism (including the shares corresponding to the dividend value) is then transferred to the Executive Board member in a personal securities account for free disposal; the number of shares to be transferred is capped at 150% of the number of shares allocated to the Executive Board member as an Initial Grant, plus the shares corresponding to the dividend value. For the calculation of the Final Grant, the target achievement value for the ROCE is only used if it reaches the respective minimum value. If the minimum value is not reached, the Initial Grant is forfeited.

The relevant share price for the gross value of the Final Grant is the ex-dividend price on the first stock exchange trading day following the Annual General Meeting in which the consolidated financial statements for the last

financial year of the respective Vesting Period are presented. If the value of the Final Grant based on this share price exceeds the maximum limit of 150% of the MVR target remuneration (see subsection 4.5 below), the number of shares allocated as the Final Grant shall be reduced accordingly.

The ROCE actually achieved can be adjusted to allow for the effects of certain exceptional measures approved by the Supervisory Board (e.g. investments in new business areas or acquisitions) on the operating result and the capital employed if and to the extent that these exceptional measures were not taken into consideration when determining the target value for the ROCE. On the recommendation of the Executive Board, the Supervisory Board shall in this case determine at the same time as the resolution on the exceptional measure whether and to what extent effects that the exceptional measure has on the ROCE shall be disregarded when determining the ROCE generated in the respective period.

#### 4.4 Calculation examples (notional values):

Premises of examples 1 to 3:

ROCE 3-year average		
Minimum	Target	Maximum
5%	7%	9%
PR: 50%	PR: 100%	PR: 150%

PR= payout ratio measured against MVR target remuneration

MVR target remuneration = €400,000.00  
 Share value at the beginning of the vesting period = €12.00

#### **Example 1: 100% ROCE achieved (7%)**

Calculation formula for initial grant:

$$\begin{aligned} \text{Initial grant} &= \text{MVR target remuneration} / \text{share value at the beginning} \\ &= €400,000.00 / €12.00 \\ &= \mathbf{33,333 \text{ shares}} \end{aligned}$$

Calculation formula for final grant:

Initial grant (33,333) x target achievement (here: 100%) = 33,333 shares

In addition to the 33,333 shares, the dividends attributable to these shares must be added in order to determine the Final Grant. For example, if dividends of €0.20 per share were paid during the Vesting Period in Year 1, €0.28 in Year 2 and €0.25 in Year 3, the calculation formula (assuming the share price at the relevant time is € 16.00) is as follows:

$$(33,333 \times 0.2) + (33,333 \times 0.28) + (33,333 \times 0.25) = €24,333.09.$$

$$\begin{aligned} &€24,333.09 \text{ (dividend)}/€16.00 \text{ (share price)} = \\ &1521 \text{ shares (rounded up)}. \end{aligned}$$

**Result: Final grant: 34,854 shares**

Calculation formula for MVR remuneration if the share had a value of €16.00 when paid to the Executive Board member:

$$\begin{aligned} &\text{Final grant (34,854) x €16.00} \\ &= \mathbf{€557,664.00} \end{aligned}$$

Result: The gross value of the final grant is €557,664.00.

**Example 2: ROCE minimum value not achieved (<5%)**

Calculation formula for final grant:

The Final Grant does not apply as the ROCE has not reached the minimum value; the Initial Grant is forfeited and is due to Südzucker AG.

**Example 3: ROCE reaches value between target and maximum value/correction of exceeding maximum remuneration in the MVR if the relevant share price is €16.00**

**Initial grant (33,333) x ROCE target achievement of 8% (payout ratio of 125%) = 41,666 shares**

The dividends (assumed to be the same as in Example 1) must also be added as follows:

$$(41,666 \times 0.2) + (41,666 \times 0.28) + (41,666 \times 0.25) = €30,417.00.$$

$$\begin{aligned} &€30,417.00 \text{ (dividend)}/€16.00 \text{ (share price)} = \\ &1901 \text{ shares (rounded down)}. \end{aligned}$$

**Result: Final grant (preliminary) = 43,567 shares**

Calculation formula for MVR remuneration if the share had a value of €16.00 when paid to the Executive Board member:

**Final grant (43,567) x €16.00**  
**Securities account value = €697,072.00**

**Correction:** The maximum gross securities account value amounts to €600,000.00, as the cap is 150% of the MVR target remuneration (€400,000.00x 150% = €600,000.00).

**Result:** Based on a price of €16.00 at the end of the Vesting Period, this gives a Final Grant of 37,500 shares with a gross total value of €600,000.00.

#### 4.5 Maximum MVR

The maximum gross value of the final grant is 150% of the respective MVR target remuneration. The Supervisory Board must bear this in mind when determining and transferring the Final Grant to the Executive Board member. In complying with the above limit, the increase in the Final Grant due to any dividend payments shall be taken into account.

### 5. **Member joins Executive Board in the course of a financial year**

When a member joins the Executive Board in the course of a financial year, the one-year and multi-year variable remuneration is granted on a pro rata basis (*pro rata temporis*).

### 6. **Pension scheme**

- 6.1 A defined-contribution pension scheme is envisaged as the standard retirement pension scheme. The Company shall take out an insurance policy or a pension contract with an irrevocable subscription right in favour of the Executive Board member or their surviving dependants for each Executive Board member with an insurance company, a pension fund or a provident fund. For this purpose, the Company will pay an annual contribution up to a maximum of €150,000.00 for the CEO and an annual amount up to a maximum of €100,000.00 for other members of the Executive Board to the insurance company, pension fund or provident fund (defined-contribution plan). The Executive Board member shall pay any related tax and social security contributions.

6.2 For Executive Board members who were already appointed by 1 March 2021, the existing agreements on pension commitments can then also be continued unchanged if their employment relationship is otherwise subject to or is to be subject to the new remuneration system. The Executive Board members involved must not be placed in a better or worse position as a result of this.

## **7. Malus and clawback provisions for the variable remuneration**

Should Executive Board members knowingly breach their contractual or statutory duties or internal Group guidelines, the service contracts concluded under the new remuneration system provide that the Supervisory Board may demand the full or partial return of the variable remuneration components paid for the respective assessment period in which the breach of duty occurs from the Executive Board member (*Clawback rule*) or set it to zero and retain it (*Malus rule*). In the former case (*Clawback*), the Executive Board member is required to repay the net amounts.

## **8. Terms of Contract**

The relevant service agreements are concluded for a limited period and end upon expiry of the term without requiring separate notice of termination. Moreover, the service agreements are linked to the appointment of the respective Executive Board member as a member of the governing body and also end if the relationship as a member of the governing body ends prematurely, in particular due to a revocation for good cause pursuant to section 84(3) AktG or a justified resignation from office by the Executive Board member.

## **9. Obligations in connection with the termination of Executive Board activities (continued payment of remuneration)**

9.1 The one-year variable remuneration and the multi-year variable remuneration are paid to the Executive Board member concerned together with the fixed salary until the date of termination of the employment relationship, provided the variable remuneration components have been earned by then. If the

Executive Board member resigns before the end of the respective assessment period for the one-year variable remuneration and the multi-year variable remuneration, the one-year variable remuneration and the multi-year variable remuneration shall be granted on a pro rata basis, taking into account the results actually achieved by the end of the respective assessment period.

- 9.2 If the Executive Board member resigns prematurely, they shall receive payment amounting to the direct remuneration agreed for the remaining contractual term (variable remuneration including fixed salary), but capped at an amount corresponding to the direct remuneration for two full financial years. The variable remuneration components shall only be paid at the time and in the amount at which they would have been granted had the employment relationship continued.

The aforementioned benefits will not be paid if the employment contract is effectively terminated for good cause or the employment contract ends merely as a result of the expiry of its term and is not renewed.

## **10. Post-contractual non-compete agreements**

Post-contractual non-compete agreements shall be agreed with the Executive Board members that provide for compensation payable by the company for the duration of the post-contractual non-compete agreement of a maximum of two years. For two years, this compensation amounts to 50% of the average direct remuneration - consisting of the fixed salary, OVR and MVR - of the last twelve (12) months prior to resigning from the Company. The compensation shall be offset against any payment in the event of the premature resignation of the Executive Board member according to subsection 9.2 above. The Executive Board member shall pay a contractual penalty for any action by which they breach the post-contractual non-compete agreement. The Company may waive the post-contractual non-compete agreement by giving 12 months' notice, with the result that the obligation to pay compensation does not apply.



## **11. Remuneration for mandates**

Insofar as members of the Executive Board hold Supervisory Board mandates within the Group, the Company is entitled to the remuneration from this. External mandates shall be limited to two mandates for each Executive Board member and may only be accepted after obtaining the prior approval of the Supervisory Board.

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

The Supervisory Board may, on the recommendation of the Presiding Committee, resolve to deviate from the existing remuneration system temporarily or in individual cases pursuant to section 87a(2) sentence 2 AktG, if and to the extent that this is necessary in the interests of the Company and its long-term well-being. All remuneration components may fundamentally be affected. In line with the intention of the legislator, these deviation options give the Supervisory Board the flexibility to react appropriately to exceptional developments or to take account of special circumstances.

## **VI. Glossary**

### **EBITDA**

EBITDA (*Earnings before Interest, Tax, Depreciation and Amortization*) describes the operating result before interest, tax, depreciation of property, plant, and equipment and amortisation of intangible assets. The basis for determining EBITDA is the item reported as EBITDA in the consolidated financial statements of Südzucker AG.

### **ROCE**

The ROCE (*Return on Capital Employed*) relates to the Südzucker AG Group and describes the ratio of operating result to long-term capital employed. This is defined as the sum of fixed assets, inventories and receivables less current liabilities.