**Description of the further developed remuneration system for the**

**Südzucker AG Executive Board**

## Introduction

On 23 February 2023, the Supervisory Board of Südzucker AG resolved to adjust the Executive Board remuneration system approved by the Annual General Meeting on 15 July 2021 ("**Executive Board Remuneration System 2021**") and to further develop the Executive Board Remuneration System ("**Executive Board Remuneration System 2023**"), which also contains significant changes within the meaning of section 120 a (1) sentence 1 AktG, and is to be submitted to the Annual General Meeting of 13 July 2023 for approval. The Executive Board Remuneration System 2023 is based on the recommendations of the Presiding Committee of the Supervisory Board ("**Presiding Committee**") and previous consultations in the Presiding Committee and with Südzucker AG Executive Board. It takes into account practical experience from the application of the Executive Board Remuneration System 2021 and, in addition to reducing complexity and individual clarifications, aims to strengthen incentive and sustainability aspects.

## I. Objective of the Executive Board Remuneration System and strategic approach

The objective of the new Südzucker AG Executive Board remuneration system is to remunerate the Executive Board members appropriately in accordance with their tasks and performance. At the same time, effective incentives are needed for sustainable management of the business and a long-term approach to increase the value of the company. The Executive Board remuneration consists of the following components: a fixed non-performance-based basic salary payable monthly, a one-year performance-based variable remuneration and a multi-year performance-based variable remuneration; in addition, the usual cash-equivalent fringe benefits and a contribution to the pension scheme are granted. The objectives and business targets for the one-year and multi-year variable remuneration are derived primarily from the Südzucker AG Group's corporate planning.

The strategic goals are intended to create greater incentives for a management that is focused on the long-term development of the Group’s performance and sustained commitment to continuous improvements in the non-financial area. The aspect of sustainability is further emphasized 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 higher priority than the short-term variable remuneration, which should also obligate and encourage the Executive Board members to commit to long-term and sustainable corporate governance. The penalty and clawback provisions strengthen the position of the Supervisory Board in the event of gross breaches of duty by the Executive Board members.

## II. Procedures for determining and reviewing the Executive Board Remuneration System and the remuneration of the Executive Board

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 Presiding Committee, which submits proposals to the Supervisory Board, in particular with regard to 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 system 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. Whenever any significant changes are made to the remuneration system, however 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 reviewed regularly by the Supervisory Board. The criteria for the appropriateness of the remuneration are the responsibilities and duties of the individual Executive Board members and their personal performance, the overall performance of the Executive Board, the economic situation and the short- and long-term performance of the Group both in financial and non-financial areas and the customariness of the remuneration, taking into account peer companies and the compensation structure in place in other areas of 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 Executive Board members and the development of the remuneration of the 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, the members of the Supervisory Board, the Presiding Committee and all committees are obliged to disclose any conflicts of interest to the Chairman of the Supervisory Board. In the event of a conflict of interest, the Supervisory Board members shall not participate in the passing of resolutions relating to 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.

The Executive Board Remuneration System 2023 applies to all Executive Board members of Südzucker AG who are appointed to the company after 1 March 2023. It is planned that the incumbent Executive Board members will switch to the Executive Board Remuneration System 2023. Switching to the currently valid remuneration system is mandatory if the service agreements of the incumbent Executive Board members are extended.

## III. Determining the individual remuneration components and Maximum Remuneration

In accordance with the Executive Board Remuneration System, the Supervisory Board determines the individual amount of the remuneration components and the Maximum Remuneration for the Executive Board members (section 87a (1) no. 1 AktG). The initial definition and any changes are generally made before the start of the upcoming financial year. The Target Remuneration is the amount that is paid out for the respective Vesting Period as a variable remuneration component in addition to the fixed salary if the set targets are 100% achieved by the Executive Board (“**Target Remuneration**”). However, the Maximum Remuneration describes the maximum permissible total value of all remuneration components including other cash-equivalent fringe benefits and pension costs

("**Maximum Remuneration**"); it is set by the Supervisory Board as the maximum amount that can be paid out in any financial year.

The guiding principle for determining the total remuneration is that the Executive Board members are remunerated appropriately in view of their duties and performance as well as the situation of the company, and that the remuneration does not exceed the usual remuneration without special reasons.

With regard to the amount of the Target Remuneration and the Maximum Remuneration, the Supervisory Board is required to appropriately take into account the role and area of responsibility of each Executive Board member. At its due discretion, the Supervisory Board may therefore differentiate between different roles, taking into account parameters such as tasks and business area, the experience of the respective Executive Board member and customary market practice.

Taking into account the procedures and standards presented above, the Supervisory Board has set the Maximum Remuneration for the 2023/2024 financial year as follows: for the CEO (chairperson of the Executive Board), the gross Maximum Remuneration is €2,100,000.00, and for the other Executive Board members, the gross Maximum Remuneration is €1,600,000.00. The Supervisory Board may increase the respective Maximum Remuneration prior to the beginning of each financial year by up to 10% of the amounts valid for the previous financial year. In all other respects, reference is made to the transitional regulations in section VI.

## IV. Remuneration elements in detail

The Executive Board remuneration consists of fixed non-performance-based components and variable, performance-based components.

The non-performance-based remuneration components comprise the fixed salary, other fringe benefits and pension scheme contributions.

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

In order to promote the sustainable and long-term business strategy and development of Südzucker AG and to set appropriate incentives for the Executive Board members, and also to ensure that the annual remuneration for the individual Executive Board members can be planned, the fixed salary makes up 50% of the Target Direct Remuneration, the one-year variable Target Remuneration makes up 22.5% of the Target Direct Remuneration and the multi-year variable Target Remuneration makes up 27.5% of the Target

Direct Remuneration; “**Target Direct Remuneration**” is the sum of the fixed salary, the one-year variable Target Remuneration and the multi-year variable Target Remuneration for each financial year.

The variable remuneration elements are intended to be both an opportunity to increase, and a necessary correction of, the total Executive Board remuneration should targets be exceeded or not be met. If the targets set are not achieved to a certain minimum extent specified by the Supervisory Board, the variable component that depends on achievement of the target is forfeited. Where an Executive Board member is consciously in breach of his/her obligations, the Supervisory Board may reduce the variable remuneration to zero (*penalty*) or may demand its repayment (*clawback*). If the targets are significantly exceeded, the gross payment of the short-term and – subject to the application of the Modifier – the long-term variable remuneration is limited to 175% of the Target Remuneration, which assumes 100% target achievement. The Supervisory Board separately determines the target values from which the minimum payment of the respective variable remuneration components is determined, and the target values that lead to maximum payment of the respective variable remuneration, subject to application of the Modifier.

### 1. Fixed salary

The Executive Board members receive an annual fixed salary in the form of a cash payment, which is calculated according to the criteria described in sections II and III above and is paid monthly in arrears in twelve equal instalments.

### 2. Benefits in kind and other fringe benefits

Each Executive Board member also receives the following benefits 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
- Contribution to the pension scheme;
- 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-based one-year variable remuneration ("**OVR**") arises from the level of achievement of a business target, in this case, an EBITDA level set by the Supervisory Board as a target for the Group (*see glossary at the end of this description*). The Vesting Period for the OVR is one year ("**OVR Vesting Period**"). The Target Remuneration for the OVR amounts to 45% of the fixed salary applicable at the beginning of the respective OVR Vesting Period ("**OVR Target Remuneration**"). The degree of target achievement determined by the Supervisory Board is multiplied by the OVR Target Remuneration applicable to the respective Executive Board member. The result of that multiplication is the gross OVR payment amount.

### 3.1 <u>EBITDA as a business target</u>

After the approval of the budget for the respective financial year, however, no later than three months after the start of the respective financial year, the Supervisory Board, at its reasonable discretion, determines, following a proposal of the Presiding Committee, which discusses its proposal with the Executive Board beforehand, a target value and a minimum value for the Group EBITDA to be achieved for the current financial year, upon the achievement of which the granting of the minimum amount of 50% of the OVR Target Remuneration depends, and a maximum value, the achievement or exceedance of which leads to the payment of 175% of the OVR Target Remuneration. The target values are communicated to the Executive Board members in the form of a target notification.

If the minimum threshold for EBITDA is not achieved, the OVR is forfeited. The pay-out is determined in a linear way in a range between the minimum value and the target value, and between the target value and the highest value.

Südzucker AG's Consolidated Financial Statements approved by the Supervisory Board are the basis for determining the EBITDA actually achieved. Subsequent changes to the Consolidated Financial Statements based on external tax audits or other reasons will not affect the determinations already made.

3.2 Maximum OVR

The maximum factor to be set in the calculation for the EBITDA is 175%. Therefore, a maximum of 175% of the OVR Target Remuneration can be paid out as an OVR.

3.3 Determining the amount of the OVR and payment of the OVR

The amount of the OVR is determined by the Supervisory Board at the balance sheet meeting that follows the one-year Vesting Period in question, based on a proposal from the Presiding Committee, which discusses its proposal with the Executive Board beforehand. The OVR determined by the Supervisory Board is paid out on the last working day of the month in which the balance sheet meeting takes place.

3.4 Rounding up and down

The EBITDA determined for the respective financial year is rounded up or down to a full €100,000.00, and the amounts paid out by the OVR to be derived from this are to be rounded up or down to full euro amounts.

3.5 Calculation examples

Calculation examples for determining the OVR are attached to this Executive Board Remuneration System 2023 as Annex 1.

## 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**"). The Vesting Period for the MVR is three years ("**MVR Vesting Period**"). The Target Remuneration for the MVR amounts to 55% of the fixed salary applicable at the beginning of the respective MVR Vesting Period ("**MVR Target Remuneration**"). The amount of the MVR is 70% derived from the degree to which a business target value has been achieved, in this case, a ROCE target set by the Supervisory Board for the Group, to be achieved on average during the respective MVR Vesting Period (*see glossary at the end of this description*), and 30% derived from the average amount of the dividends paid out on the ordinary shares of Südzucker AG during the respective MVR Vesting Period, and from the degree to which strategic goals have been achieved, which is taken into account by applying a Modifier of between 0.8 and 1.2. To determine the ROCE-dependent portion of the MVR, the degree of target achievement (ROCE as a business target value and strategic goals) is multiplied by 70% of the MVR Target Remuneration relevant to the respective Executive Board member. To determine the dividend-dependent portion of MVR, the amounts resulting from the average of the dividends paid out during the respective MVR Vesting Period are multiplied by the Modifier dependent on the degree to which the strategic goals were achieved. The amounts resulting from the above multiplications are then added together. The result of these multiplications and the subsequent addition is the gross amount paid out of the MVR, subject to the stipulations in clauses 4.1 to 4.9 below.

The ROCE target values and the strategic goals as well as any changes in the amounts attributable to the dividends paid out during the respective MVR Vesting Period are determined by the Supervisory Board at its reasonable discretion on the proposal of the Presiding Committee, which discusses its proposal beforehand with the Executive Board and communicates such to the Executive Board member, following this determination, in the form of a target notification.

4.1 ROCE as an economic target value

Following approval of the budget for the first financial year of the MVR Vesting Period, however, no later than three months after the start of that respective financial year, the Supervisory Board, following a proposal of the Personnel Committee, which discusses its proposal with the Executive Board beforehand, sets a target value, a minimum value and a maximum value for the Group ROCE to be achieved on average during that MVR Vesting Period.

Subject to the application of the Modifier (see clause 4.6 below), achievement of the target value results in payment of 70% of the MVR Target Remuneration, achievement of the minimum value leads to payment of 35% (50% of 70%) of the MVR Target Remuneration, and achievement or exceedance of the maximum payment limit leads to payment of 122.5% (70% of 175%) of the MVR Target Remuneration.

If the minimum value for the ROCE is not reached, the ROCE-dependent MVR Target Remuneration is forfeited, even if dividends are paid out during the MVR

Vesting Period and even if the strategic goals are achieved. The pay-out is determined in a linear way in a range between the minimum value and the target value, and between the target value and the highest value.

4.2 Maximizing the ROCE-dependent MVR

The amount to be included in the calculation for the ROCE-dependent portion of the MVR is a maximum of 122.5% (70% of 175%) of the MVR Target Remuneration. Therefore, the maximum amount that can be paid out as the ROCE-dependent MVR is 122.5% of the MVR Target Remuneration, multiplied by the maximum degree of target achievement of the strategic goals (1.2), i.e. 147% of the MVR Target Remuneration (122.5% x 1.2 = 147%).

4.3 Basis for determining the ROCE

The average ROCE generated during the respective MVR Vesting Period is determined on a monthly basis, i.e. on the basis of the ROCE values reported in Südzucker AG’s monthly reports.

4.4 Adjustments for special measures

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 (*return*) and the *capital employed* unless these exceptional measures were taken into consideration when the target value for the ROCE was set. On the recommendation of the Executive Board, the Supervisory Board shall, in that case, at the same time as deciding on the exceptional measure, stipulate whether and to what extent the impact that the exceptional measure has on the ROCE shall be disregarded when determining the ROCE generated in the relevant period.

4.5 Dividend-dependent portion of the MVR

The amount of the MVR is 30% dependent on the average dividend amount paid out to the bearers of Südzucker AG ordinary shares during the respective MVR Vesting Period. To determine the dividend-dependent portion of the MVR, the Supervisory Board sets a gross amount in euros for each Executive Board member, which is granted for each cent of the average dividend paid out.

Following approval of the budget for the first financial year of the MVR Vesting Period, however, no later than three months after the start of that respective financial year, the Supervisory Board, following a proposal of the Presiding Committee, which discusses its proposal with the Executive Board beforehand, may increase or reduce the euro amounts attributable to the dividend-dependent portion of the MVR, if the general conditions on which the last determination was based have changed more than insignificantly.

4.6 Maximizing the dividend-dependent portion of the MVR

The amount to be included in the calculation for the dividend-dependent portion of the MVR is maximum 52.5% (30% of 175%) of the MVR Target Remuneration. Therefore, the maximum amount that can be paid out as the dividend-dependent MVR is 52.5% of the MVR Target Remuneration, multiplied by the maximum degree of target achievement of the strategic goals (1.2), i.e. 63% of the MVR Target Remuneration (52.5% x 1.2 = 63%).

4.7 Strategic goals (Modifier)

Following approval of the budget for the first financial year of the MVR Vesting Period, however, no later than three months after the start of that respective financial year, the Supervisory Board, following a proposal of the Presiding Committee, which discusses its proposal with the Executive Board beforehand, sets strategic targets for each MVR Vesting Period for the entire Südzucker AG Executive Board, the achievement, underachievement or overachievement of which is decisive for the application of the Modifier described below. These strategic goals should be based, on the one hand, on the Group's economic and strategic performance (e.g. growth, development of new lines of business, implementation of M&A projects, etc.). On the other hand, they should take non-financial sustainability criteria into consideration, such as the further development of *Environmental Social Governance* (ESG) and *Corporate Social Responsibility* (CSR) within the Südzucker AG Group. The degree of target achievement is not measured as a percentage, but converted into a multiplier ("**Modifier**") of between 0.8 and 1.2. The 1.0 Modifier reflects the 100% target achievement. The final amount of MVR paid out is calculated by multiplying the ROCE-related share of the MVR and the dividend-dependent share of MVR by the Modifier determined by the Supervisory Board, and then adding together the resulting amounts.

4.8 Determining the amount of the MVR and payment of the MVR

The final amount of the MVR is determined by the Supervisory Board at the balance sheet meeting that follows the one-year MVR Vesting Period in question, based on a proposal from the Presiding Committee, which discusses its proposal with the Executive Board beforehand. It can reach a maximum of 210% (147% [see clause 4.2 above] + 63% [see clause 4.6 above]) of the MVR Target Remuneration if the highest possible Modifier (1.2) is applied.

Notwithstanding the foregoing requirement for determining the final amount of the MVR, the Supervisory Board shall, upon proposal of the Presiding Committee, which shall discuss its proposal with the Executive Board beforehand, determine the relevant ROCE for that year at its balance sheet meeting following the first year of each MVR Vesting Period. Based on this, the ROCE-dependent share of the MVR is extrapolated to the end of the respective MVR Vesting Period. In addition, as soon as the Annual General Meeting has adopted a resolution on the appropriation of the balance sheet profit reported in Südzucker AG's audited and approved Annual Financial Statements (separate financial statements) for the first year of each MVR Vesting Period, the dividend-dependent share of the MVR will also be extrapolated to the end of the respective MVR Vesting Period on the basis of the dividend to be paid out to the bearers of Südzucker AG ordinary shares. For the projection of the ROCE-dependent share of the MVR and the dividend-dependent share of the MVR, it is to be assumed that the degree of target achievement determined for the first year of the MVR Vesting Period and the dividend paid out for the first year of the MVR Vesting Period correspond to the average values at the end of the respective MVR Vesting Period, and a notional Modifier of 1.0 is to be applied in each case. Based on these projections, on the last working day of the month in which the Annual General Meeting following the first year of each MVR Vesting Period has taken place, the Executive Board members receive partial payments on the MVR for the respective MVR Vesting Period concerned, the amount of which is limited to 75% of the amounts paid out, extrapolated to the full Vesting Period, but not more than 75% of the MVR Target Remuneration for the respective MVR Vesting Period. Should the final determination of the amount of the MVR for the respective MVR Vesting Period result in an additional amount, this shall be paid out to the respective Executive Board member on the last working day of the month in which the Annual General Meeting was held following the last year of the respective MVR Vesting Period. If, on the other hand, the final determination of the amount of the MVR results in an overpayment, the net amount of the overpayment shall be returned to the company within 14 working days after the end of the Annual General Meeting following the last year of the respective MVR Vesting Period.

4.9 Rounding up and down

The ROCE rates determined in each case shall be rounded up or down to one decimal place. The MVR amounts to be paid out shall be rounded up or down in each case to full euro amounts in accordance with commercial practice.

4.10 Independence from the ROCE and the dividend-dependent MVR component

The ROCE-dependent component of the MVR is also paid out if there is no dividend-dependent component of the MVR, and *vice versa*.

4.11 Calculation examples

Calculation examples for determining the MVR are attached to this Executive Board Remuneration System 2023 as Annex 2.

## 5. Appointment of an Executive Board member or replacement of an Executive Board member in the Executive Board Remuneration System 2023 during the course of a financial year

If an Executive Board member is appointed or if an Executive Board member is replaced in the Executive Board Remuneration System 2023 during the course of a financial year, the OVR and MVR are granted on a pro rata temporis basis. The amounts to be paid out shall be rounded up or down to full euro amounts in accordance with commercial practice.

## 6. Pension scheme

6.1 Defined contribution pension scheme

A defined-contribution pension scheme is envisaged as the standard retirement pension scheme. For each Executive Board member, the company (or the Executive Board member itself) shall take out an insurance policy or a pension contract with an insurance company, a pension fund or a provident fund with an irrevocable right of receipt in favour of the Executive Board member or their surviving dependants. For this purpose, the company shall pay the insurance company, pension fund or provident fund an annual contribution up to a maximum of €153,000.00 for the CEO and an annual amount up to a maximum of €100,000.00 for other Executive Board members (defined-contribution plan); the Supervisory Board may increase these contributions by an appropriate amount before the beginning of each financial year. The Executive Board member shall pay any related tax and social security contributions.

6.2 Continuation of existing commitments

For Executive Board members already appointed prior to 1 March 2021, the existing agreements on pension commitments can continue unchanged, instead of granting the standard retirement pension set out in clause 6.1, even if their employment relationship is otherwise subject to, or is to be subject to, the Executive Board Remuneration System 2023.

## 7. Penalty and clawback provisions for the variable remuneration

Should Executive Board members knowingly breach their contractual or statutory duties or internal Group guidelines, the Supervisory Board may demand from the Executive Board member the full or partial return of the variable remuneration components paid out for the respective Vesting Period in which the breach of duty occurs (*clawback*) or set it to zero and retain it (*penalty*). In the former case (c*lawback*), the Executive Board member is required to repay the net amounts. The clawback or reduction option does not apply to OVR and MVR amounts paid or to be paid for OVR or MVR Vesting Periods completed prior to the breach of duty, and does not apply to OVR and MVR amounts paid or to be paid for OVR or MVR Vesting Periods commencing after the breach of duty.

## 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 or a termination agreement. 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 Fixed salary, other fringe benefits

Each Executive Board member is entitled to a fixed salary, benefits in kind and other fringe benefits until the end of their employment, regardless of the legal reason. If the employment relationship ends within the course of a month, the fixed salary and other fringe benefits for that month shall be reduced pro rata temporis; if necessary, the fixed salary that has been reduced pro rata temporis is to be rounded up or down to a full euro amount. Benefits in kind are discontinued on the day on which the employment relationship ends. By way of derogation from this, if an Executive Board member is dismissed and/or released from work, the company car provided to the Executive Board member shall be returned within one month of notification of the dismissal or release.

9.2 Variable remuneration upon contract termination

Upon termination of the employment relationship, the Executive Board member is entitled to the OVR and MVR for all OVR and MVR Vesting Periods that have begun during the term of employment. Payment shall be made at the same time as it would have been due if the employment relationship had continued until the end of the relevant Vesting Period. If the employment relationship ends during the year, i.e. before the end of a financial year, the OVR and MVR for that financial year shall only be granted pro rata temporis.

9.3 OVR and MVR in the event of early termination of employment

The stipulations in clause 9.2 above also apply if the Executive Board member resigns before the end of the fixed term of their employment contract. By derogation from this, the OVR and the MVR shall not be paid out for Vesting Periods that have not yet expired at the time of the premature departure of the Executive Board member if the Executive Board member resigns as a *bad leaver*; if MVR partial payments have been made, the net amount shall be returned to the company. Resignation as a *bad leaver* is to be assumed if the company has terminated the employment contract of the Executive Board member for a good cause (section 626 (1) BGB) or the Executive Board member resigns from their position as an Executive Board member and/or ceases their activity for the company without there being a good cause for which the company is responsible or a factual reason lying in the person of the Executive Board member (e.g. permanent illness, etc.).

### 10. Post-contractual non-competition agreements

Post-contractual non-competition agreements shall be agreed with the Executive Board members that provide for compensation to be paid by the company for the term of the post-contractual non-competition agreement for a maximum of two years. For both years, this compensation shall amount to 50% of the average remuneration – consisting of the fixed salary, OVR and MVR – in the last twelve (12) months before leaving, however, at least the sum of the fixed salary and the contribution to the pension scheme in the relevant amount immediately before leaving. The Executive Board member shall pay a contractual penalty for any action by which they breach the post-contractual non-competition agreement. The company may waive the post-contractual non-competition agreement by giving 12 months' notice, with the effect that the obligation to pay compensation no longer applies after this 12-month period has expired.

### 11. Remuneration for mandates

Insofar as Executive Board members hold positions on supervisory boards, advisory boards or similar within the Group, the company is entitled to the resulting remuneration. External mandates shall remain limited to two mandates for each Executive Board member and may only be accepted after prior approval by the Supervisory Board.

## V. Temporary derogations 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. In principle, all the remuneration components dealt with in this description may be concerned, in particular, the fixed salary and the variable remuneration components as well as their amount and the determinations made for their calculation and payment. 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. Transitional provisions

Contracts with incumbent Executive Board members concluded under the regime of the Executive Board Remuneration System 2021 shall be processed in accordance with the provisions of their previously valid employment contracts until the point at which new or changed employment contracts are concluded under the Executive Board Remuneration System 2023. This also applies to MVR Vesting Periods that have not yet expired at the time the service contracts are changed. With regard to these MVR Vesting Periods, in order to avoid a system change-related disadvantage for the affected Executive Board members for the financial years in which these Executive Board members are granted shares in the company in accordance with the Executive Board Remuneration System 2021 and partial payments pursuant to clause 4.8 of this Executive Board Remuneration System 2023, the procedure is as follows: it shall be determined separately in each case whether (i) the Maximum Remuneration determined under the Executive Board Remuneration System 2021 will be exceeded through the allocation of shares and/or whether (ii) the Maximum Remuneration determined under this Executive Board Remuneration System 2023 will be exceeded through the granting of partial payments; in the first case (i) any corrections will only be made in accordance with the Executive Board Remuneration System 2021, and in the second case (ii) any corrections will only be made in accordance with this Executive Board Remuneration 2023 System.

## VII. Glossary

### EBITDA

EBITDA (*Earnings before Interest, Tax, Depreciation and Amortisation*) describes the operating result before interest, tax, depreciation of property, plant, and equipment and amortisation of intangible assets. The basis for determining the EBITDA is the item reported as EBITDA in Südzucker AG's Consolidated Financial Statements.

### 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.

**Annex 1**

**Calculation examples for the OVR (notional values)**

Premises of examples 1 to 4:

| OVR Target Remuneration in € | Minimum value EBITDA | Target EBITDA | Maximum value EBITDA |
|---|---|---|---|
| 225,000.00 | €500 million | €650 million | €900 million |
| | PR: 50% | PR: 100% | PR: 175% |

**PR= payout ratio measured against OVR Target Remuneration**

The maximum amount of OVR is thus €393,750.00 gross (= 175% of the 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:

OVR Target Remuneration €225,000.00 x 50% = €112,500.00

Result: The gross amount of €112,500.00 is payable as OVR.

**Example 3:** EBITDA actually achieved is €550 million

The actual target achievement value is between the minimum value (€500 million) and the target EBITDA (€650 million). As the minimum amount of 50% has already been achieved (= €112,500.00) because the minimum value of €500 million has been reached, the amount paid out must be increased proportionally by the percentage by which the minimum value in the range between the minimum value and the target value has been exceeded. In this case, it is one third.

Calculation formula:

Half OVR Target Remuneration €112,500.00 + (€112,500.00 x 33.33% = €37,500.00) = €150,000.00

Result: The gross amount of €150,000.00 is payable as OVR.

**Example 4:** EBITDA actually achieved is €775 million

The actual target achievement value is between the target EBITDA (€650 million) and the
maximum value (€900 million). This means that the degree of payment of 100% already achieved (= €225,000.00) due to the achievement of the target EBITDA of €650 million must be increased proportionally by the percentage by which the target EBITDA has been exceeded in the range between the target value and the maximum value. In this case, it is 50%.

Calculation formula:

OVR Target Remuneration €225,000.00 + (€168,750.00 x 50% = €84,375.00) = €309,375.00

*Explanation:*

Out of the maximum €900 million (which would trigger a further €168,750.00 payout), €775 million was achieved. Therefore, 50% of the possible additional payment sum (€168,750.00 x 50% = €84,375.00) is to be applied. This additional amount is to be added to the OVR Target Remuneration (€225,000.00).

Result: The gross amount of €309,375.00 is payable as OVR.

**Annex 2**

**Calculation examples for MVR (notional values)**

Premises of examples 1 to 4:

- MVR Target Remuneration: €275,000.00

- The maximum amount of the ROCE-dependent component of the MVR amounts to €404,250.00 by application of the highest possible Modifier (1.2) (= 147% of the MVR Target Remuneration).

| Minimum value ROCE | ROCE target value | Maximum value ROCE |
|---|---|---|
| 5% | 8% | 12% |
| PR*: 35%** | PR*: 70% | PR*: 122,5%*** |

* PR = payout ratio

** 35% = 50% of 70% of the MVR Target Remuneration (subject to the Modifier)

*** 122.5% = 70% of the maximum MVR of 175% (subject to the Modifier)

- Thus, the maximum amount of the dividend-dependent component of the MVR amounts to €173,250.00 by application of the highest possible Modifier (1.2) (= 63% of the MVR Target Remuneration).

- Gross amount determined by the Supervisory Board to be granted for each cent of the average dividend = €2,000.00

<u>**Example 1:**</u>

ROCE averaged 8% over three years (= achievement of target value), Modifier is 1.0. Average dividend over the three-year Vesting Period is €0.24.

<u>Calculation formula</u>:

*ROCE-dependent MVR component*:

€192,500.00 (= 70% of the MVR Target Remuneration) x 1.0 (Modifier) = €192,500.00

*Dividend-dependent MVR component*:

€2,000.00 x 24 (= average cent amount per share paid out)

x 1.0 (Modifier) =

€48,000.00

€192,500.00 + €48,000.00 = €240,500.00

Result:

The gross amount of €240,500.00 is payable as MVR.

Calculation of partial payment**:**

*Alternative 1*:

The extrapolated ROCE average and extrapolated dividend average at the end of the first year of the MVR Vesting Period are the same as in example 1 above, i.e. average ROCE 8%, average dividend of the three-year Vesting Period €0.24. The Modifier is always set to 1.0 when calculating the partial payment. The amount extrapolated based on ROCE and dividends would therefore total €240,500.00 as calculated above. The partial payment is 75% of the extrapolated amount, but limited to 75% of the MVR Target Remuneration.

Calculation formula:

75% of €240,500.00 (= the amount extrapolated for the full MVR Vesting Period)

x 1.0 (Modifier)

= €180,375.00 (theoretical partial payment amount)

Result:

As the cap for the partial payment (75% of the MVR Target Remuneration = €206,250.00) does not apply, the partial payment amounts to gross €180,375.00.

*Alternative 2:*

The extrapolated ROCE average and extrapolated dividend average after the end of the first year of the MVR Vesting Period are 12% (ROCE) and €0.28 (dividend). The Modifier is always set to 1.0 when calculating the partial payment. The ROCE-dependant extrapolated amount would therefore be 122.5% of the MVR Target Remuneration, i.e. €336,875.00 and the dividend-dependent component would be €56,000.00 (= €2,000.00 x 28), therefore a total of €392,875.00.

Calculation formula:

75% of €392,875.00 (= the amount extrapolated for the full MVR Vesting Period)

x 1.0 (Modifier)

= €294,656.00 (theoretical partial payment amount)

Correction:

Cap for the partial payment (75% of the MVR Target Remuneration = €206,250.00) is to be taken into consideration.

Result:

The partial payment is therefore only €206,250.00 gross.

**Example 2:**

The three-year average ROCE was below the minimum value of 5%, Modifier is 1.2. Average dividend over the three-year Vesting Period is €0.24.

Calculation:

No payout of the ROCE-dependent MVR component (70% of the MVR Target Remuneration) as the minimum ROCE value was not reached. The dividend-dependent MVR component remains unaffected by this and amounts to €57,600.00 (= €2,000.00 x 24 = €48,000.00 x 1.2 Modifier).

Result:

The gross amount of €57,600.00 is payable as MVR.

**<u>Example 3:</u>**

The three-year average ROCE was between the target value and the maximum value, namely 10%. Modifier is 1.2. Average dividend over the three-year Vesting Period is €0.24.

<u>Calculation formula:</u>

*ROCE-dependent MVR component:*

€264,687.50 (= €192,500.00 (ROCE-dependent MVR Target Remuneration) + (50% of the difference between the maximum ROCE-dependent MVR [€275,000.00 x 122.5% = €336,875.00] and the ROCE-dependent MVR Target Remuneration = €72,187.50 [€336,875.00 less €192,500.00 = €144,375.00 x 50%])

x 1.2 Modifier

€317,625.00

*Dividend-dependent MVR component*:

€2,000.00 x 24 (= average cent amount per share paid out = €48,000.00) x 1.2 (Modifier) =

€57,600.00

€317,625.00 + €57,600.00 = €375,225.00

<u>Result</u>:

The gross amount of <u>€375,225.00</u> is payable as MVR.

**<u>Example 4:</u>**

The three-year average ROCE was above the maximum value, namely 14%. Modifier is 1.2. Average dividend over the three-year Vesting Period is €0.24.

Calculation formula:

*ROCE-dependent MVR component*:

€336,875.00 (= maximum value of 122.5% of the MVR Target Remuneration [€275,000.00])
x 1.2 (Modifier) =
€404,250.00

*Explanation:*

Exceeding the ROCE maximum value (12%) does not result in exceeding the maximum ROCE-dependent MVR (122.5% of the MVR Target Remuneration).

*Dividend-dependent MVR component*:

€2,000.00 x 24 (= average cent amount per share paid out = €48,000.00) x 1.2 (Modifier) =
€57,600.00

€404,250.00 + €57,600.00 = €461,850.00

Result:

The gross amount of €461,850.00 is payable as MVR.