

**Item 8:**  
**Resolution on remuneration of Supervisory Board members (simultaneously approval of remuneration system for Supervisory Board members)**

The current remuneration provisions for members of the Supervisory Board of HORNBAACH Holding AG & Co. KGaA are laid down in § 17 of the Articles of Association of HORNBAACH Holding AG & Co. KGaA. These were most recently approved by the Annual General Meeting on July 10, 2020.

Having reviewed these provisions in detail, the General Partner and Supervisory Board have concluded that the current level of remuneration no longer conforms to market practice or the requirements and expectations placed in the activities of the Supervisory Board of HORNBAACH Holding AG & Co. KGaA. To do justice to the increased requirements and expectations placed in Supervisory Board activities, the remuneration of– and thus also the remuneration system for – Supervisory Board members is to be reformulated.

The following provisions are envisaged: Supervisory Board members should receive fixed annual remuneration of € 40,000. The Supervisory Board Chair should receive twice and the Deputy Chair one-and-a-half times this remuneration. Supervisory Board members also sitting on a Supervisory Board committee should receive additional fixed committee remuneration, amounting to € 18,000 for the Audit Committee and to € 8,000 for each other committee. Supervisory Board members chairing a Supervisory Board committee receive twice the respective committee membership remuneration.

The new provisions should be applicable from March 1, 2023. The remuneration system for members of the Supervisory Board is presented in Section II.3.

The General Partner and Supervisory Board propose the adoption of the following resolution:

- a) § 17 of the Articles of Association shall be reformulated as follows:

“§ 17  
Supervisory Board Remuneration

(1) In addition to the reimbursement of his or her expenses, each Supervisory Board member receives fixed remuneration of € 40,000 payable retrospectively on the day after the Annual General Meeting adopting the annual financial statements for the respective financial year. The Chair receives twice and the Deputy Chair one-and-a-half times the fixed remuneration. Supervisory Board members also sitting on a Supervisory Board committee receive additional fixed committee remuneration, amounting to € 18,000 for the Audit Committee and to € 8,000 for each other committee, retrospectively payable together with the fixed remuneration pursuant to Sentence 1. Supervisory Board members chairing a Supervisory Board committee receive twice the respective committee membership remuneration.

(2) Supervisory Board members only sitting on the Supervisory Board for part of a financial year receive proportionately lower remuneration on a pro rata temporis basis. Corresponding provisions apply for remuneration pursuant to Paragraph 1, Sentence 2 and fixed committee membership remuneration pursuant to Paragraph 1, Sentences 3 and 4 should the respective member retire from the Supervisory Board, or from the respective function while remaining in the Supervisory Board.

(3) Sales tax is refunded by the company to the extent that Supervisory Board members are entitled to charge the company separately for sales tax and exercise this right. Furthermore, the company pays or reimburses the Supervisory Board member for any employer contributions to social insurance incurred under foreign legislation due to the member's activity on the Supervisory Board.

(4) To protect its interests, the company maintains an appropriate financial loss liability insurance policy for its directors, officers, and senior management. This policy also covers Supervisory Board members, who are co-insured at the company's expense.”

- b) Upon entry in the Commercial Register, the amendments to the Articles of Association presented under a) shall replace the current provisions and shall be applicable for the first time in the financial year beginning on March 1, 2023.
- c) The remuneration system underlying the remuneration presented under a), which is described in detail in II.3 subsequent to the agenda, shall be approved.”

Section II.3. reads:

#### **Remuneration system for Supervisory Board members**

##### **a. Contribution made by remuneration system to promoting business strategy and long-term development**

As its structure conforms to market norms, the Supervisory Board remuneration makes it possible to attract suitable candidates for positions as Supervisory Board members. Supervisory Board remuneration therefore helps to ensure that the Supervisory Board as a whole is able to perform its duties of supervising and advising the General Partner in an appropriate and competent manner and thus promotes the business strategy and long-term development of HORNBAACH Holding AG & Co. KGaA.

##### **b. Remuneration components**

The remuneration of Supervisory Board members comprises fixed annual basic remuneration and inclusion in a financial loss liability insurance policy maintained by HORNBAACH Holding AG & Co. KGaA. The fixed annual basic remuneration amounts to € 80,000 for the Chair of the Supervisory Board, € 60,000 for the Deputy Chair of the Supervisory Board, and € 40,000 for each other member of the Supervisory Board. Furthermore, Supervisory Board members also sitting on a Supervisory Board committee receive fixed committee remuneration. Fixed committee remuneration amounts to:

- Audit Committee: € 36,000 for the Chairman and € 18,000 for each other committee member; and
- All other committees: € 16,000.00 for the Chair and € 8,000.00 for each other committee member.

The fixed annual basic remuneration and fixed committee remuneration are granted for each financial year and are each due for payment on the day after the Annual General Meeting adopting the annual financial statements for the respective financial year. Remuneration is proportionately reduced on a pro rata temporis basis if a member of the Supervisory Board or a committee is not a member of such for the full financial year or does not chair the respective body for the full financial year.

HORNBAACH Holding AG & Co. KGaA reimburses any sales tax incurred on the fixed annual basic remuneration and the fixed committee remuneration to the extent that Supervisory Board members are entitled to charge the company separately for sales tax and exercise this right. Furthermore, the company pays or reimburses the Supervisory Board member for any employer contributions to social insurance incurred under foreign legislation due to the member's activity on the Supervisory Board.

Furthermore, Supervisory Board members are included in a financial loss liability insurance policy maintained by HORNBAACH Holding AG & Co. KGaA at its own expense for its directors and officers.

##### **c. Procedure for determining, implementing, and reviewing the remuneration system**

At the proposal of the General Partner and the Supervisory Board, the Annual General Meeting determines Supervisory Board remuneration in the Articles of Association or by adopting a resolution. At present, Supervisory Board remuneration is stipulated in the Articles of Association. The Annual General Meeting adopts a resolution on Supervisory Board remuneration at least once every four years. To prepare the resolution to be adopted by the Annual General Meeting, the General Partner and Supervisory Board each review whether the Supervisory Board remuneration is still in the interests of HORNBAACH Holding AG & Co. KG and appropriate, particularly in respect of its amount and structure. If necessary, the General Partner and the Supervisory Board propose a suitable adjustment for approval by the Annual General Meeting.