



WashTec **Supervisory Board** remuneration system.

Supervisory Board remuneration system

Under Section 113 (3) AktG, as amended by the German Act Implementing the Second Shareholder Rights Directive (ARUG II), the annual general meeting of a listed company must adopt a resolution at least once every four years on the remuneration of members of the Supervisory Board. The resolution relates both to the system of remuneration for Supervisory Board members presented to the Annual General Meeting and to the setting of the remuneration for Supervisory Board members. The resolution is permitted to take the form of a resolution confirming the remuneration. The first resolution must be passed by the end of the first Annual General Meeting following December 31, 2020.

On 18 May 2021, the Annual General Meeting 2021 adopted the remuneration system for the Supervisory Board with a majority of 78.01% and confirmed the remuneration for the members of the Supervisory Board as set out in § 8.16 of the Articles of Association and in the Long Term Incentive Program for the Supervisory Board adopted by the Annual General Meeting on 30 April 2018 (bullet point A.).

The Long Term Incentive Program for the Supervisory Board adopted by resolution of the Annual General Meeting on April 30, 2018 is reproduced below under bullet point B. The Annual General Meeting 2021 also approved the long-term variable remuneration for the Supervisory Board 2022-2024 (LTIP 2022-2024) on 18 May 2021 with a majority of 78.15% (bullet point C.)

A. System for the remuneration of the members of the Supervisory Board and confirmation of the existing remuneration

The Annual General Meeting 2021 adopted the remuneration system for the Supervisory Board on May 18, 2021, with a majority of 78.01% and confirmed the remuneration for the members of the Supervisory Board:

a. Remuneration system for the members of the Supervisory Board

The remuneration of members of the Supervisory Board is required to be commensurate with the responsibilities and tasks of Supervisory Board members and the situation of the Company. At the same time, Supervisory Board remuneration is intended to be appropriate with a view to competing for suitable candidates for future appointments to the Supervisory Board.

As recommended in the German Corporate Governance Code, remuneration for Supervisory Board membership takes appropriate account, with commensurate function-related remuneration, of the larger time commitment of the Chairperson and the Deputy Chairperson of the Supervisory Board and of the chairpersons and the members of committees. In addition, with a view of the Supervisory Board's supervisory and advisory responsibilities, the Supervisory Board's remuneration contributes to the successful implementation of the business strategy and to the Company's long-term success.

The Annual General Meeting adopts a resolution on the remuneration of Supervisory Board members at least every four years and when changes to the remuneration rules are proposed. The Annual General Meeting may confirm the existing Supervisory Board remuneration system or adopt a resolution to amend it. Proposals for resolutions are submitted to the Annual General Meeting by the Management Board or the Supervisory Board according to the statutory division of responsibilities; mutual control of the two corporate governing bodies is thus ensured. The Supervisory Board is supported in the preparation of proposals for resolutions by the Personnel Committee. The right to decide on the structure of the remuneration system and on the remuneration of Supervisory Board members remains with the Annual General Meeting.

1. Components of Supervisory Board remuneration

Under Section 8.16 of the Articles of Association, the remuneration of members of the Supervisory Board comprises fixed remuneration, attendance fees and performance-based remuneration, together with reimbursement of expenses and of value added tax payable on Supervisory Board remuneration. Total annual remuneration under the Articles of Association (fixed and performance-based remuneration plus attendance fees) is limited to a maximum of EUR 75,000.00 for an ordinary member of the Supervisory Board, EUR 100,000.00 for the Chairperson of the Audit Committee, EUR 150,000.00 for the Deputy Chairperson of the Supervisory Board and EUR 200,000.00 for the Chairperson of the Supervisory Board.

In addition, the Long Term Incentive Program for the period from January 1, 2019 to December 31, 2021 adopted by resolution of the Annual General Meeting in 2018 provides for a long-term variable remuneration component for the Supervisory Board with a one-time cash award. The cash award is capped by the maximum possible number of invested shares, the maximum achievable multiplier of 1.2 and the maximum reference share price of €100. In variable remuneration for any one fiscal year, the maximum possible cash award (pro rata temporis) from the Long Term Incentive Program generally exceeds the maximum possible performance-based remuneration under the Articles of Association.

2. Fixed remuneration, attendance fees, performance-based remuneration, reimbursement of expenses and reimbursement of value-added tax under Section 8.16 of the Articles of Association

The current remuneration arrangements under Section 8.16 of the Articles of Association, as amended on August 5, 2020, read as follows:

“Beginning in fiscal year 2015 and for subsequent fiscal years, in addition to reimbursement for expenses, each member of the Supervisory Board is paid fixed remuneration in the amount of EUR 35,000.00 for each full fiscal year of membership of the Supervisory Board. The fixed remuneration is EUR 70,000.00 for the Deputy Chairperson of the Supervisory Board and EUR 100,000.00 for the Chairperson of the Supervisory Board.

Each member of a committee (with the exception of the Audit Committee) receives additional fixed remuneration of EUR 2,500.00. The chairperson of a committee (with the exception of the Audit Committee) receives additional fixed remuneration of EUR 5,000.00. Each member of the Audit Committee receives an additional fixed remuneration of EUR 5,000.00 and the Chairperson receives such remuneration of 10,000.00.

In addition, each member of the Supervisory Board receives an attendance fee of EUR 1,500.00 for each meeting of the Supervisory Board and its committees that they attend. Only one attendance fee is paid for multiple meetings held on a single day. The Chairperson of the Supervisory Board receives double the attendance fee stipulated in this subsection.

The fixed remuneration and the attendance fee are payable following completion of the fiscal year.

In addition, for membership of the Supervisory Board during the preceding fiscal year, each member of the Supervisory Board receives, after adoption of the resolution on the appropriation of profit, performance-based remuneration of EUR 500.00 for each cent by which IFRS-basis consolidated profit per share exceeds the equivalent amount for the prior fiscal year.

Total annual remuneration under the Articles of Association (fixed and performance-based remuneration plus attendance fees) is limited to a maximum of EUR 75,000.00 for an ordinary member of the Supervisory Board,

EUR 100,000.00 for the Chairperson of the Audit Committee, EUR 150,000.00 for the Deputy Chairperson of the Supervisory Board and EUR 200,000.00 for the Chairperson of the Supervisory Board. Where offices coincide, the maximum relates to the greater amount.

Any Supervisory Board members who have served on the Supervisory Board or a Supervisory Board committee for only part of a fiscal year receive proportionately reduced fixed and performance-based remuneration. The Supervisory Board reimburses each Supervisory Board member the value-added tax payable on their remuneration.

The General Meeting may resolve to establish one or more long-term variable remuneration components for the Supervisory Board that are added to the remuneration under the Articles of Association.”

3. Long-term variable remuneration: Long Term Incentive Program for the Supervisory Board

The remuneration system in its current form also provides for a long-term variable remuneration component in the form of a Long Term Incentive Program for the Supervisory Board, which is provided in addition to the remuneration under the Articles of Association. The Long Term Incentive Program for the Supervisory Board was adopted by resolution of the Annual General Meeting in 2018 with a term from January 1, 2019 to December 31, 2021.

The Long Term Incentive Program (LTIP) for the Supervisory Board has a three-year term (incentive period) and provides for a one-time cash award at the end of the incentive period. As a condition for participation in the LTIP, the program stipulates that Supervisory Board members must make a personal investment in WashTec shares on or before July 31, 2019. The Chairperson may participate with a personal investment of up to 4,000 shares and the remaining Supervisory Board members with a personal investment of up to 2,000 shares. A Supervisory Board member can also participate in the LTIP with shares already purchased by such member prior to the Company's Annual General Meeting which passed the resolution adopting the LTIP.

The cash award is calculated by multiplying the number of invested shares by the reference share price and a multiplier determined on the basis of target achievement. For calculation of the cash award, the maximum possible reference share price is limited to €100.00.

Performance targets are set for earnings per share (EPS), ROCE and free cash flow. The performance targets are geared to long-term performance and sustainability under the corporate strategy. The reference base for the LTIP targets comprises the key performance indicators for fiscal year 2018 as of December 31, 2018. Depending on whether one, several or all of the targets are fulfilled, a different multiplier applies for the cash award. If the EPS target is exceeded, the multiplier can increase up to a maximum of 1.2.

The cash award is paid out on the day following the Annual General Meeting in fiscal year 2022. Supervisory Board members are only entitled to the full amount if they have been members of the Supervisory Board for the whole of the incentive period and still hold the invested shares in the Company at the end of the incentive period.

Entitlement to payment is subject to the resolutive condition that one-sixth of the cash award received under the LTIP is reinvested in shares in the Company by the eligible Supervisory Board member within three months subsequent to the Company's Annual General Meeting in fiscal year 2022 and the Supervisory Board member holds those shares for at least three years after acquiring them. The requirement to hold the shares ends if the eligible Supervisory Board member leaves the Supervisory Board during the three-year holding period.

In exceptional circumstances, a pro-rata cash award is granted. Such circumstances comprise departure from the Supervisory Board due to termination of the period of office before the end of the incentive period, death of the Supervisory Board member, resignation or removal subsequent to a change of control, termina-

tion of office on merger, division or transformation, or delisting of the Company's shares. A pro-rata cash award is conditional on the invested shares still being hold on termination.

In the case of newly appointed Supervisory Board members, the cash award is reduced pro rata and is only granted for the duration of actual membership of the Supervisory Board. 1/36th of the cash award is granted for each month of membership.

For details of the Long Term Incentive Program for the period from January 1, 2018 to December 31, 2021, reference is made to the Long Term Incentive Program for the Supervisory Board adopted by resolution of the Annual General Meeting on April 30, 2018, which is additionally reproduced in the invitation to the Annual General Meeting of May 18, 2021 under "Information on Agenda Item 7".

- b. The Supervisory Board remuneration set out in Section 8.16 of the Articles of Association and the Long Term Incentive Program for the Supervisory Board adopted by resolution of the Annual General Meeting on April 30, 2018 is confirmed.**

B. Long Term Incentive Program for the Supervisory Board in accordance with the resolution of the Annual General Meeting on April 30, 2018:

§ 1 Definitions

Termination event has the meaning as defined in § 6.1.

Cash award has the meaning as defined in § 4.

Capital employed means fixed assets plus net operating working capital calculated as an average over five quarters.

Change of control means the acquisition of a number of shares in the Company that leads to a shareholding in the amount of more than 50% of shares in the Company by an existing shareholder or third party.

EBIT means the WashTec Group's earnings before interest and taxes based on the Company's audited and approved consolidated financial statements.

Invested shares has the meaning as defined in § 2.1.

EPS means earnings per share, i.e., the WashTec Group's consolidated net income, as presented in the audited and approved consolidated financial statements, divided by the weighted average number of shares outstanding (calculated on a fully diluted basis).

EPS target has the meaning as defined in § 3.

Performance targets comprise the EPS target, the ROCE target and the free cash flow target.

Fixed assets mean property, plant and equipment, goodwill and other intangible assets as presented in the Company's approved consolidated financial statements.

Free cash flow is defined as net cash flow from operating activities including changes in net working capital minus net cash flows from investing activities.

¹ Printed below under bullet point B.

Free cash flow target has the meaning as defined in § 3.

The **Company** means WashTec AG.

Incentive period means the period in which the performance targets must be attained. The period begins on January 1, 2019 and lasts until December 31, 2021.

LTIP stands for Long Term Incentive Program.

LTIP 2015 means the LTIP for the members of the Supervisory Board which has been approved by the Annual General Meeting of the Company on May 13, 2015.

LTIP 2015 Shares includes both the initial investment under LTIP 2015 and the binding reinvestment of the cash award by Supervisory Board Members. Such reinvestments relate to one third of the post-tax proceeds as defined in the LTIP 2015.

Multiplier has the meaning as defined in § 4.

Net operating working capital means trade receivables plus all inventories minus trade payables and pre-payments on orders as presented in the company's approved consolidated financial statements.

Pro-rata cash award has the meaning as defined in § 6.1.

Reference share price means the volume-weighted average price of shares in the Company in XETRA trading (or in a successor system) on Frankfurt Stock Exchange during the last three months of the incentive period. If the volume-weighted average price of shares in the Company in XETRA trading (or in a successor system) on Frankfurt Stock Exchange during the last three months of the incentive period exceeds EUR 100.00, the reference share price is EUR 100.00. In the event of a change in the number of shares due to a stock split or consolidation, the reference share price for calculation of the cash award is adjusted accordingly; for this purpose, the reference share price is multiplied by the number of shares before the stock split or consolidation divided by the number of shares after the stock split or consolidation. The maximum applicable reference share price continues to be EUR 100.00 in the event of such an adjustment.

ROCE means EBIT divided by capital employed.

ROCE target has the meaning as defined in § 3.

Reduced incentive period means the period from January 1, 2019 to the end of the fiscal year in which a termination event occurs. If a participating Supervisory Board member is a member of the Supervisory Board for less than three months of the financial year in which the termination event occurs, the reduced incentive period is from January 1, 2019 until the end of the financial year prior to the financial year in which the termination event occurs.

WashTec Group means the Company and the legal entities included in the Company's consolidated financial statements.

§ 2 Personal investment

- 2.1** In order to participate in the LTIP, a Supervisory Board member is required to make a personal investment in shares in the Company by July 31, 2019 ("invested shares"). A Supervisory Board member can also participate in LTIP with shares already purchased by such member prior to the Company's Annual General Meeting in fiscal year 2018. In such case invested shares may also include those acquired by a Supervisory Board Member under LTIP 2015.

- 2.2** The Chairman of the Supervisory Board may participate in the LTIP with a personal investment of up to 4,000 shares. The remaining members of the Supervisory Board may participate in the LTIP with a personal investment of up to 2,000 shares.

§ 3 Performance targets

The cash award depends on attainment of three performance targets, each of which must be 100% attained in order to count:

- (i) Compounded average annual normalized EPS growth of at least 15% during the incentive period (**“EPS target”**).
- (ii) Average ROCE of more than 30% during the incentive period (**“ROCE target”**).
- (iii) Compounded average annual free cash flow growth of at least 15% during the incentive period (**“free cash flow target”**).

The basis for calculation of the annual growth rates comprises the performance indicators for fiscal year 2018 as of December 31, 2018.

§ 4 Calculation of the cash award

The LTIP return profile depends on the level of attainment of the performance targets. The participating members of the Supervisory Board are only entitled to a cash award (**“cash award”**) if they attain 100% on at least one of the performance targets. The cash award is calculated by multiplying a multiplier (**“multiplier”**) with the number of invested shares multiplied by the reference share price.

- Full attainment: If all three performance targets are attained, the multiplier is 0.5.
- Partial fulfillment: If only two out of three performance targets are attained, the multiplier is 0.33. If only one of the three performance targets is attained, the multiplier is 0.17.
- Over-attainment of the EPS target: If the free cash flow target and the ROCE target are attained and average annual EPS growth during the incentive period is 15.8% or more, the multiplier is between 0.66 and 1.2, as set out in the table below:

Average growth EPS	Multiplier
15,8 %	0,66
17,6 %	0,83
19,3 %	1,01
20,9 %	1,20

§ 5 Payment

- 5.1** If a participating Supervisory Board member is entitled to a cash award under § 4, the cash award falls due on the day of the Company’s Annual General Meeting in fiscal year 2022.

- 5.2** A participating Supervisory Board member shall only be entitled to a cash award in the full amount if the member (i) still holds either all of the invested shares (applicable to Board Members not participating in the LTIP 2015) or all the LTIP 2015 Shares (applicable to the rest of Board Members) at the end of the incentive period and, (ii) subject to the provisions in § 6 and § 7 has been a member of the Supervisory Board without interruption from the beginning to the end of the incentive period.
- 5.3** Entitlement to payment is subject to the resolutive condition that the entitled Supervisory Board member (i) within three months subsequent to the Company's Annual General Meeting in fiscal year 2022, reinvests one-sixth of the cash award received under the LTIP in shares in the Company and (ii) holds those shares for at least three years after purchase; the requirement to hold the shares ends if the entitled Supervisory Board member ceases to be a member of the Supervisory Board during the three-year holding period.

§ 6 Pro-rata cash award

- 6.1** If one of the following events (each a **"termination event"**) occurs before the end of the incentive period, the participating Supervisory Board member is entitled to a pro-rata cash award (**"pro-rata cash award"**) provided that the member still holds the invested shares when the termination event occurs:
- Resignation or removal of the participating Supervisory Board member within three months subsequently to a change of control.
 - Departure of the participating Supervisory Board member from the Supervisory Board due to expiry of the member's term of office before the end of the incentive period.
 - Death of the participating Supervisory Board member.
 - Termination of the participating Supervisory Board member's office on entry into effect of a merger, division, or transformation under the Transformation Act (*Umwandlungsgesetz*).
 - Delisting of the Company's shares from the Frankfurt Stock Exchange.
- 6.2** The basis for calculation of the pro-rata cash award is the LTIP return profile in accordance with § 4. However, this is adjusted as follows:
- The reference share price is the volume-weighted average price of shares in the Company in XETRA trading (or a successor system) on Frankfurt Stock Exchange during the last three months before the termination event. If the volume-weighted average price of shares in the Company in XETRA trading (or in a successor system) on Frankfurt Stock Exchange during the last three months before the termination event exceeds EUR 100.00, the reference share price is EUR 100.00. In the event of a change in the number of shares due to a stock split or consolidation, the reference share price for calculation of the cash award is adjusted accordingly; for this purpose, the reference share price is multiplied by the number of shares before the stock split or consolidation divided by the number of shares after the stock split or consolidation. The maximum applicable reference share price continues to be EUR 100.00 in the event of such an adjustment.
 - The multiplier shall be adjusted. The basis for the calculation comprises the multipliers in accordance with § 4 up to the factor 0.5; the limit of 0.5 then also applies if average annual EPS growth is 15.8% or more. The multiplier must be adjusted pro rata in line with the reduced incentive period. Accordingly, the multiplier is reduced by one-third for each year by which the reduced incentive period is shorter than the incentive period; that is, for each year in which the entitled Supervisory Board member has not been a member of the Supervisory Board for at least three months. If all three performance targets are attained, the adjusted multiplier is thus 0.33 for a reduced incentive period of two years and 0.17 for a reduced incentive period of one year.

c) The performance targets are not adjusted. However, the performance targets are applied to the reduced incentive period.

- 6.3** If a participating Supervisory Board member is entitled to a pro-rata cash award, the payment falls due on the day of the Company's Annual General Meeting in the year following the fiscal year in which the termination event occurred.

§ 7 New members of the Supervisory Board

7.1 A Supervisory Board member who is elected or appointed by court order to the Supervisory Board after the beginning of the incentive period may participate in the LTIP. In order to do so, the member must make a personal investment in shares in the Company in accordance with § 2, with the invested shares purchased at the latest three months of the entry into effect of the member's election or appointment by court order to the Supervisory Board.

7.2 The calculation of the cash award, including in instances coming under § 7.1, is initially based on § 4. The cash award is reduced pro rata and is only granted for the duration of actual membership of the Supervisory Board. For this purpose, 1/36th of the cash award calculated in accordance with § 4 is granted for each month for which the member is a member of the Supervisory Board during the incentive period. If the Supervisory Board member's term of office does not begin as of the first of a given month, that month is counted in full in the calculation if the member has been a member of the Supervisory Board for at least 15 calendar days of the month concerned; otherwise, that month is not counted in the calculation. If a termination event occurs before the end of the incentive period, § 6 applies in addition.

7.3 § 5 applies with regard to when the cash award calculated in accordance with § 7.2 falls due. § 6.3 is unaffected.

§ 8 Taxes

Any income tax payable on the cash award (or the pro-rata cash award) shall be borne personally by each participating Supervisory Board member.

C. Long Term Incentive Program for the Supervisory Board (2022–2024)

The Annual General Meeting 2021 passed the following resolution on May 18, 2021 with a majority of 78.15%:

With reference to the system for the remuneration of Supervisory Board members published under agenda item 7 in the invitation to the Annual General Meeting of May 18, 2021, and in continuation of that remuneration system, the following Long Term Incentive Program for the Supervisory Board 2022-2024 is adopted for the period January 1, 2022 to December 31, 2024:

Long Term Incentive Program for the Supervisory Board (2022–2024)

§ 1 Definitions

Termination event has the meaning as defined in § 6.1.

Cash award has the meaning as defined in § 4.

Capital employed means fixed assets plus net operating working capital calculated as an average over five quarters.

Change of control means the acquisition of a number of shares in the Company that leads to a shareholding in the amount of more than 50% of shares in the Company by an existing shareholder or third party.

EBIT means the WashTec Group's earnings before interest and taxes based on the Company's audited and approved consolidated financial statements.

Invested shares has the meaning as defined in § 2.1.

EPS means earnings per share, i.e., the WashTec Group's consolidated net income, as presented in the audited and approved consolidated financial statements, divided by the weighted average number of shares outstanding (calculated on a fully diluted basis).

EPS target has the meaning as defined in § 3.

Performance targets comprise the EPS target, the ROCE target and the free cash flow target.

Fixed assets mean property, plant and equipment, goodwill and other intangible assets as presented in the Company's approved consolidated financial statements.

Free cash flow is defined as net cash flow from operating activities including changes in net working capital minus net cash flows from investing activities.

Free cash flow target has the meaning as defined in § 3.

The Company means WashTec AG.

Incentive period means the period in which the performance targets must be achieved. The period begins on January 1, 2022 and lasts until December 31, 2024.

² Printed above under bullet point A.

LTIP stands for Long Term Incentive Program.

LTIP 2015 means the LTIP for the members of the Supervisory Board which has been approved by the Annual General Meeting of the Company on May 13, 2015.

LTIP 2018 means the LTIP for the members of the Supervisory Board which has been approved by the Annual General Meeting of the Company on April 30, 2018.

LTIP 2018 Shares includes both the personal investment shares with which the Supervisory Board member has participated in LTIP 2018 and the shares acquired by the Supervisory Board member in order to receive the cash award under LTIP 2018. Such reinvestments relate to one-sixth of the cash award received by the member under LTIP 2018. Invested shares for the purposes of participation in LTIP 2018 may also include shares with which the Supervisory Board member already participated in LTIP 2015 and shares that the member acquired in order to receive the cash award under LTIP 2015.

Multiplier has the meaning as defined in § 4.

Net operating working capital means trade receivables plus all inventories minus trade payables and prepayments on orders as presented in the company's approved consolidated financial statements.

Pro-rata cash award has the meaning as defined in § 6.1.

Reference share price means the volume-weighted average price of shares in the Company in XETRA trading (or in a successor system) on Frankfurt Stock Exchange during the last three months of the incentive period. If the volume-weighted average price of shares in the Company in XETRA trading (or in a successor system) on Frankfurt Stock Exchange during the last three months of the incentive period exceeds EUR 100.00, the reference share price is EUR 100.00. For calculation of the cash award, this figure of EUR 100.00 therefore represents the maximum possible reference share price. In the event of a change in the number of shares due to a stock split or consolidation, the reference share price for calculation of the cash award is adjusted accordingly; for this purpose, the reference share price is multiplied by the number of shares before the stock split or consolidation divided by the number of shares after the stock split or consolidation. The maximum applicable reference share price continues to be EUR 100.00 in the event of such an adjustment.

ROCE means EBIT divided by capital employed.

ROCE target has the meaning as defined in § 3.

Reduced incentive period means the period from January 1, 2022 to the end of the fiscal year in which a termination event occurs. If a participating Supervisory Board member is a member of the Supervisory Board for less than three months of the financial year in which the termination event occurs, the reduced incentive period is from January 1, 2022 until the end of the financial year prior to the financial year in which the termination event occurs.

WashTec Group means the Company and the legal entities included in the Company's consolidated financial statements.

§ 2 Personal investment

- 2.1** In order to participate in the LTIP, a Supervisory Board member is required to make a personal investment in shares in the Company by December 31, 2022 (**“invested shares”**). A Supervisory Board member can also participate in LTIP with shares already purchased by such member prior to the Company’s Annual General Meeting in fiscal year 2021. In such case invested shares may also include those acquired by a Supervisory Board Member under LTIP 2018.
- 2.2** The Chairman of the Supervisory Board may participate in the LTIP with a personal investment of up to 4,000 shares. The remaining members of the Supervisory Board may participate in the LTIP with a personal investment of up to 2,000 shares.

§ 3 Performance targets

The cash award depends on achievement of three performance targets, each of which must be 100% achieved in order to count:

- (i) Compounded average annual normalized EPS growth of at least 22% during the incentive period (**“EPS target”**).
- (ii) Average ROCE of more than 27% during the incentive period (**“ROCE target”**).
- (iii) Compounded average annual free cash flow growth of at least 15% during the incentive period (**“free cash flow target”**).

The basis for calculation of the annual growth rates comprises the performance indicators for fiscal year 2021 as of December 31, 2021.

§ 4 Calculation of the cash award

The LTIP return profile depends on the level of achievement of the performance targets. The participating members of the Supervisory Board are only entitled to a cash award (**“cash award”**) if they achieve 100% on at least one of the performance targets. The cash award is calculated by multiplying a multiplier (**“multiplier”**) with the number of invested shares multiplied by the reference share price.

- Full achievement: If all three performance targets are achieved, the multiplier is 0.5.
- Partial fulfillment: If only two out of three performance targets are achieved, the multiplier is 0.33.
If only one of the three performance targets is achieved, the multiplier is 0.17.
- Over-achievement of the EPS target: If the free cash flow target and the ROCE target are attained and average annual EPS growth during the incentive period is 23% or more, the multiplier is between 0.6 and 1.2, as set out in the table below:

Average growth EPS	Multiplier
23 %	0,6
24 %	0,8
25 %	1
26 %	1,2

§ 5 Payment

- 5.1** If a participating Supervisory Board member is entitled to a cash award under § 4, the cash award falls due on the day of the Company's Annual General Meeting in fiscal year 2025.
- 5.2.** A participating Supervisory Board member shall only be entitled to a cash award in the full amount if the member (i) still holds either all of the invested shares (applicable to Board Members not participating in the LTIP 2018) or all the LTIP 2018 Shares (applicable to the rest of Board Members) at the end of the incentive period and, (ii) subject to the provisions in § 6 and § 7 has been a member of the Supervisory Board without interruption from the beginning to the end of the incentive period.
- 5.3** Entitlement to payment is subject to the resolutive condition that the entitled Supervisory Board member (i) within three months subsequent to the Company's Annual General Meeting in fiscal year 2025, reinvests one-sixth of the cash award received under the LTIP in shares in the Company and (ii) holds those shares for at least three years after purchase; the requirement to hold the shares ends if the entitled Supervisory Board member ceases to be a member of the Supervisory Board during the three-year holding period.

§ 6 Pro-rata cash award

- 6.1** If one of the following events (each a **"termination event"**) occurs before the end of the incentive period, the participating Supervisory Board member is entitled to a pro-rata cash award (**"pro-rata cash award"**) provided that the member still holds the invested shares when the termination event occurs and is a member of the Supervisory Board for a period of at least twelve months during the incentive period:
- a) Resignation or removal of the participating Supervisory Board member within three months subsequently to a change of control.
 - b) Departure of the participating Supervisory Board member from the Supervisory Board due to expiry of the member's term of office before the end of the incentive period.
 - c) Death of the participating Supervisory Board member.
 - d) Termination of the participating Supervisory Board member's office on entry into effect of a merger, division, or transformation under the Transformation Act (*Umwandlungsgesetz*).
 - e) Delisting of the Company's shares from the Frankfurt Stock Exchange.
- 6.2** The basis for calculation of the pro-rata cash award is the LTIP return profile in accordance with § 4. However, this is adjusted as follows:
- a) The reference share price is the volume-weighted average price of shares in the Company in XETRA trading (or a successor system) on Frankfurt Stock Exchange during the last three months before the termination event. If the volume-weighted average price of shares in the Company in XETRA trading (or in a successor system) on Frankfurt Stock Exchange during the last three months before the termination event exceeds EUR 100.00, the reference share price is EUR 100.00. For calculation of the cash award, this figure of EUR 100.00 therefore represents the maximum possible reference share price. In the event of a change in the number of shares due to a stock split or consolidation, the reference share price for calculation of the cash award is adjusted accordingly; for this purpose, the

reference share price is multiplied by the number of shares before the stock split or consolidation divided by the number of shares after the stock split or consolidation.

The maximum applicable reference share price continues to be EUR 100.00 in the event of such an adjustment.

- b) The multiplier shall be adjusted. The basis for the calculation comprises the multipliers in accordance with § 4 up to the factor 0.5; the limit of 0.5 then also applies if average annual EPS growth is 23% or more. The multiplier must be adjusted pro rata in line with the reduced incentive period. Accordingly, the multiplier is reduced by one-third for each year by which the reduced incentive period is shorter than the incentive period; that is, for each year in which the entitled Supervisory Board member has not been a member of the Supervisory Board for at least three months. If all three performance targets are achieved, the adjusted multiplier is thus 0.33 for a reduced incentive period of two years and 0.17 for a reduced incentive period of one year.
- c) The performance targets are not adjusted. However, the performance targets are applied to the reduced incentive period.

- 6.3** If a participating Supervisory Board member is entitled to a pro-rata cash award, the payment falls due on the day of the Company's Annual General Meeting in the year following the fiscal year in which the termination event occurred.

§ 7 New members of the Supervisory Board

- 7.1** A Supervisory Board member who is elected or appointed by court order to the Supervisory Board after the beginning of the incentive period may participate in the LTIP. In order to do so, the member must make a personal investment in shares in the Company in accordance with § 2, with the invested shares purchased at the latest three months of the entry into effect of the member's election or appointment by court order to the Supervisory Board.
- 7.2** The calculation of the cash award, including in instances coming under § 7.1, is initially based on § 4. The cash award is reduced pro rata and is only granted for the duration of actual membership of the Supervisory Board. For this purpose, 1/36th of the cash award calculated in accordance with § 4 is granted for each month for which the member is a member of the Supervisory Board during the incentive period. If the Supervisory Board member's term of office does not begin as of the first of a given month, that month is counted in full in the calculation if the member has been a member of the Supervisory Board for at least 15 calendar days of the month concerned; otherwise, that month is not counted in the calculation. If a termination event occurs before the end of the incentive period, § 6 applies in addition.
- 7.3** § 5 applies with regard to when the cash award calculated in accordance with § 7.2 falls due. § 6.3 is unaffected.

§ 8 Taxes

Any income tax payable on the cash award (or the pro-rata cash award) shall be borne personally by each participating Supervisory Board member.

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