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: 2021

INVITATION  
TO THE ANNUAL GENERAL MEETING  
2021

**SURTECO**

Overview with disclosures pursuant to § 125 Stock Corporation Act (Aktiengesetz, AktG) in conjunction with Table 3 of the Implementation Regulation (Durchführungsverordnung) (EU) 2018 / 1212

## A. Content of the notification

1. Ordinary virtual Annual General Meeting of SURTECO GROUP SE 2021
2. Convening of the Annual General Meeting

## B. Disclosures of the issuer

1. ISIN: DE0005176903
2. Name of the issuer: SURTECO GROUP SE

## C. Disclosures on the Annual General Meeting

1. Date of the Annual General Meeting: 23 June 2021
2. Start: 10:00 (CET) [equivalent to 8:00 UTC]
3. Type of Annual General Meeting: ordinary virtual Annual General Meeting without the physical presence of the shareholders
4. Place of the Annual General Meeting: <https://ir.surteco.com/hv>  
Place of the Annual General Meeting pursuant to the Stock Corporation Act (Aktiengesetz): Max-Joseph-Straße 5, 80333 Munich, Germany
5. Recording date: 01.06.2021
6. Uniform Resource Locator (URL): <https://ir.surteco.com/hv>

## Agenda at a glance:

1. Submission of the audited annual financial statements and the approved consolidated financial statements, the management reports for SURTECO GROUP SE and the Group, including the explanatory report on the disclosures pursuant to § 289a Section (1), § 315a Section (1) of the German Commercial Code (Handelsgesetzbuch, HGB) and the Declaration on Corporate Governance pursuant to § 289f German Commercial Code (Handelsgesetzbuch, HGB), together with the Corporate Governance Report for the business year 2020, the proposal for appropriation of the net profit and the report by the Supervisory Board.
2. Resolution on appropriation of net profit
3. Resolution on the discharge of the Management Board for the business year 2020
4. Resolution on the renewed postponement of the discharge of the former Member of the Management Board Dr.-Ing. Herbert Müller
5. Resolution on the discharge of the Supervisory Board for the business year 2020
6. Election to the Supervisory Board
7. Resolution on the approval of the compensation system for the Members of the Management Board
8. Resolution on the approval of the compensation system for the Supervisory Board and the corresponding changes to the Articles of Association
9. Resolution on the appointment of the auditor of the annual financial statements and the auditor of the consolidated financial statements as well as the auditor for the audit review of the interim financial reports

# Invitation to the ordinary Annual General Meeting 2021

## SURTECO GROUP SE Buttenwiesen

ISIN: DE0005176903

WKN: 517690

We invite our shareholders to the ordinary Annual General Meeting to be held on Wednesday, 23 June 2021, at 10.00 a.m.

The Annual General Meeting is being held pursuant to § 1 Section (1), Section (2) of the Act on Measures in Corporate, Cooperative, Association, Foundation and Home Ownership Law to Combat the Effects of the COVID-19 Pandemic (Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie) (COVID-19 Act, COVID-19-Gesetz), the scope of which was extended by the Directive on Extension of Measures in Corporate, Cooperative, Association, Foundation and Home Ownership Law to Combat the Effects of the COVID-19 Pandemic (Verordnung zur Verlängerung von Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins- und Stiftungsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie), from 20 October 2020 to 31 December 2021 as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies at the Haus der Bayerischen Wirtschaft, Max-Joseph-Straße 5, 80333 Munich, Germany. The entire Annual General Meeting will be broadcast for the shareholders in a live audiovisual streaming on the SURTECO Investor Portal.

### I. AGENDA:

1. Submission of the audited annual financial statements and the approved consolidated financial statements, the management reports for SURTECO GROUP SE and the Group, including the explanatory report on the disclosures pursuant to § 289a Section (1), § 315a Section (1) of the German Commercial Code (Handelsgesetzbuch, HGB) and the Declaration on Corporate Governance pursuant to § 289f German Commercial Code (Handelsgesetzbuch, HGB), together with the Corporate Governance Report for the business year 2020, the proposal for appropriation of the net profit and the report by the Supervisory Board

No resolution is anticipated for Agenda Item 1, since there is no statutory requirement for a resolution to be passed and the Supervisory Board has already confirmed the annual financial statements and approved the consolidated financial statements. No resolution is therefore necessary in respect of Agenda Item 1 under statutory requirements.

#### 2. Resolution on appropriation of net profit

The Management Board and the Supervisory Board propose that the net profit for the business year 2020 amounting to 28,047,342.82 euros (€) be appropriated as follows:

- Payment of a dividend of € 12,404,584.80. This amounts to a dividend of € 0.80 per no-par-value share for the 15,505,731 shares issued corresponding to a nominal participation in the capital stock of € 1.00 for each no-par-value share.
- Transfer of € 15,642,758.02 to retained earnings

The dividend is payable on 28 June 2021.

### **3. Resolution on the discharge of the Management Board for the business year 2020**

The Supervisory Board and the Management Board propose that the actions of the Members of the Management designated below be approved and that they should be discharged for the business year 2020:

- 3.1 Mr. Wolfgang Moyses
- 3.2 Mr. Andreas Riedl (Member until 30 June 2020)
- 3.3 Dr. Manfred Bracher (Member from 1 February 2020).

It is intended to allow the Annual General Meeting to take a decision on the discharge of the aforementioned Members of the Management Board by individual voting.

### **4. Resolution on the renewed postponement of the discharge of the former Member of the Management Board Dr.-Ing. Herbert Müller**

Dr.-Ing. Herbert Müller was Chairman of the Management Board of the Company until 30 September 2019. The Annual General Meeting held on 2 October 2020 passed a resolution to postpone the discharge of Dr.-Ing. Herbert Müller for his actions in the business year 2019, since the Company is currently making claims against Dr. Müller pursuant to § 93 Section (2) Stock Corporation Act (AktG). The Company has declared that these claims were offset against bonus claims from Dr. Müller. The proceeding has not yet been brought to a conclusion. The Supervisory Board and the Management Board therefore propose that the discharge of Dr.-Ing. Herbert Müller for the business year 2019 should again be postponed.

### **5. Resolution on the discharge of the Supervisory Board for the business year 2020**

The Management Board and the Supervisory Board propose that the Members of the Supervisory Board designated below should be discharged for their actions in the business year 2020:

- 5.1 Dr.-Ing. Jürgen Großmann (Member until 2 October 2020)
- 5.2 Mr. Andreas Engelhardt
- 5.3 Dr. Christoph Amberger
- 5.4 Mr. Tobias Pott
- 5.5 Mr. Tim Fiedler
- 5.6 Mr. Jens Krazeisen
- 5.7 Mr. Jochen Müller (Member since 2 October 2020)
- 5.8 Mr. Thomas Stockhausen
- 5.9 Mr. Heinz Dieter Stöckler
- 5.10 Mr. Jörg Wissemann

It is intended to allow the Annual General Meeting to take a decision on the discharge of Members of the Supervisory Board by individual voting.

### **6. Election to the Supervisory Board**

Dr. Christoph Amberger stepped down from his office as Member of the Supervisory Board with effect from midnight on 8 April 2021. The Local Court Augsburg (Amtsgericht Augsburg) appointed by its resolution on 12 April 2021 Mr. Jan Oberbeck, Economist, St. Augustin, as a Member of the Supervisory Board in place of the resigning Member Dr. Christoph Amberger on application by the Management Board with approval of the Supervisory Board. The appointment by the court of Mr. Oberbeck ends pursuant to § 104 (6) Stock Corporation Act (AktG) by election of the Member of the Supervisory Board by the Annual General Meeting.

Accordingly, the Supervisory Board proposes that Mr. Jan Oberbeck, Economist, resident in St. Augustin, should now be elected to the Supervisory Board by the Annual General Meeting. The election will be for a period of office until the end of the Annual General Meeting which passes a resolution on the discharge for the actions of the Member of the Supervisory Board for the fourth business year after the commencement of his period of office. The business year in which the period of office commences is not included in this calculation.

Mr. Oberbeck has the following additional memberships of other supervisory boards to be formed under statutory regulations and comparable governance bodies of business enterprises in Germany and abroad:

- Member of the Supervisory Board of All4Labels GmbH, Hamburg
- Member of the Advisory Council of Smart Coloring GmbH, Aachen

Mr. Oberbeck is independent pursuant to Article C.7 of the German Corporate Governance Code. Mr. Oberbeck is a Managing Shareholder of G. Schürfeld + Co. (GmbH & Co.) KG, Hamburg, which (through its 100% ownership of subsidiary company PKG Schürfeld GmbH) is a shareholder in SURTECO GROUP SE. Otherwise, there are no other personal and/or business relationships between Mr. Oberbeck and the companies of the SURTECO Group, the governance bodies of SURTECO GROUP SE and a controlling shareholder of SURTECO GROUP SE.

The curriculum vitae of Mr. Oberbeck is included as Annex 1 to this Agenda.

## **7. Resolution on the approval of the compensation system for the Members of the Management Board**

Pursuant to § 120 A Section (1) Stock Corporation Act (Aktiengesetz) in which through the amended version of the Act on the Implementation of the Shareholders' Rights Directive (Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie (ARUG II)) the Annual General Meeting of a publicly listed company shall pass a resolution on the approval of the compensation system for the Members of the Executive Board submitted by the Supervisory Board at least every four years and for any significant change in the compensation system.

The Supervisory Board proposes that the compensation system for the Members of the Management Board resolved by the Supervisory Board and presented in Annex 2 be approved.

The compensation system presented in Annex 2 includes as compensation elements – as previously – a fixed compensation, a variable compensation and fringe benefits such as communication and work resources, company car, insurance policies, etc. The variable compensation is to be defined on the basis of attainment of a defined target. As prescribed under statutory regulations, upper limits for the compensation of individual Members of the Management Board are defined in the compensation system. Details are provided in Annex 2. Annex 2 also includes the details pursuant to § 120a Section (1) Sentence 2 Stock Corporation Act (AktG).

## **8. Resolution on the approval of the compensation system for the Supervisory Board and corresponding changes to the Articles of Association**

Pursuant to § 113 Section (3) Stock Corporation Act (Aktiengesetz) in which through the amended version of the Act on the Implementation of the Shareholder's Rights Directive (Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie (ARUG II)) the Annual General Meeting of a publicly listed company shall pass a resolution on the approval of the compensation for the members of the Supervisory Board at least every four years. The first resolution must be passed by the end of the first ordinary Annual General Meeting to be held after 31 December 2020.

### **Previous compensation system**

The remuneration arrangements currently applicable for the Supervisory Board, defined in Article 12 of the Articles of Association of SURTECO GROUP SE comprise a fixed amount of € 18,000 and a variable remuneration that is linked to the relevant annual dividend. This is permissible under stock corporation law. However, the German Corporate Gover-

nance Code includes deviating recommendations. According to these, the compensation should, as far as possible, only consist of fixed remuneration or, if performance-based compensation is selected, this should be aligned with the long-term development of the Company [Article G18 of the Code]. Up to now, neither of these conditions have been the case at SURTECO GROUP SE. A fixed compensation for the Supervisory Board is more in keeping with the functions of the Supervisory Board, because the monitoring and advisory functions of the Supervisory Board, and the obligations of the Supervisory Board are independent of the earnings situation and conversely become more onerous if the earnings situation of the Company deteriorates. Today, a fixed remuneration is therefore generally the rule at numerous companies.

### **Future system for compensation of Members of the Supervisory Board**

In future, each Member of the Supervisory Board is to be paid a fixed compensation of € 25,000 per year. The compensation increases by a factor of two times for the Chairman of the Supervisory Board – as is currently the case and by one and a half times for each substitute chairman. A variable compensation is no longer to be provided. The supplementary remuneration for Members of the Audit Committee (up to a maximum total of € 40,000 p.a.) is retained. As has previously been the case, the Supervisory Board decides on the allocation of this supplementary remuneration based on a corresponding proposal by the Audit Committee, at their discretion taking into account the actual work carried out. The allocation of the supplementary remuneration must not exceed the upper limit of € 40,000. The arrangements for the reimbursement of expenses and the conclusion of a D&O insurance remain the same as in the previous arrangements.

The function of the Supervisory Board is to advise and supervise the Management Board, which must manage the Company under its own responsibility and transact its business. The Members of the Supervisory Board are entitled to reasonable compensation. The structure and level of remuneration takes account of the demands on the office of membership of the Supervisory Board, the time involved in fulfilling the duties and the responsibility of the Members of the Supervisory Board for the Company. The proposed new arrangements for compensation of the Members of the Supervisory Board take adequate account of these considerations. The level of the compensation is appropriate – also in comparison with the compensation packages for Supervisory Board Members of other companies listed on the Stock Exchange in Germany. The appropriateness of the compensation for the Members of the Supervisory Board ensures that the Company will continue to be in the position to attract suitably qualified candidates for Membership of the Supervisory Board of the Company. As a consequence, the compensation for the Supervisory Board contributes over the long term to promotion of the business strategy and to the long-term development of the Company. The compensation for the Members of the Supervisory Board is regularly reviewed.

### **Proposal for resolution**

Accordingly, the Management Board and the Supervisory Board propose the following resolutions:

8.1 Article 12 of the Articles of Association should be revised as follows and hence at the same time the compensation system included therein should be approved for the Supervisory Board pursuant to § 113 Section (3) Sentence 1 Stock Corporation Act (AktG):

„Article 12 Remuneration of the Supervisory Board

(1) The Members of the Supervisory Board receive remuneration in addition to reimbursement of their out-of-pocket expenses. The compensation for each Member of the Supervisory Board amounts to € 25,000.00 for each business year. If the period of office begins or ends in the course of a business year, the compensation due to the Member of the Supervisory Board is paid pro rate with time. The compensation is payable after the ordinary Annual General Meeting which decides on the discharge of the Supervisory Board for the relevant business year.

(2) The amount of compensation defined in Section (1) increases by a factor of two times for the Chairman of the Supervisory Board and by one and a half times for each substitute chairman.

(3) The Members of the Audit Committee receive in addition to the remuneration defined in Sections (1) and (2) a further remuneration amounting to a total of up to € 40,000.00 each year. The Supervisory Board decides on

the level and allocation of this further remuneration based on the proposal by the Audit Committee, at their discretion taking into account the time taken by each of the Members of the Audit Committee to carry out their individual functions.

[4] Any value added tax payable on these remuneration amounts is reimbursed by the Company, provided that the members of the Supervisory Board are authorized to invoice the Company separately for the value added tax and that they exercise this right.

[5] The Company shall be authorized to conclude a Directors' & Officers liability insurance for financial losses and legal protection insurance (D&O insurance) in favour of the members of the Supervisory Board."

8.2 The regulations relating to the above amended version of Article 12 of the Articles of Association are to be applied from 1 January 2022 and from this date replace the previous arrangements defined in the statutes for the remuneration of the Supervisory Board in Article 12 of the Articles of Association. The Management Board is instructed to register the amendment to the Articles of Association such that it is not registered prior to 1 January 2022.

Voting on the resolutions for 8.1 and 8.2 should be unanimous.

## **9. Resolution about the appointment of the auditor of the annual financial statements and the auditor of the consolidated financial statements, and the auditor for the audit review of the interim financial reports**

9.1 Based on the recommendation of the Audit Committee, the Supervisory Board hereby submits a proposal that professional services firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, should be appointed as the auditor for the consolidated financial statements and as the auditor for the audit review of the interim financial reports for the business year 2021.

9.2 Based on the recommendation of the Audit Committee, the Supervisory Board submits a proposal that professional services firm PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, should be appointed as the auditor for the audit review of the interim financial reports for the business year 2022 during the period until the next ordinary Annual General Meeting in the business year 2022.

In its recommendation, the Audit Committee of the Supervisory Board stated that the recommendation is free from undue influence from third parties and that the committee was not subject to any clause of the type defined in Article 16 Section (6) of the EU Regulation for audit of public-interest entities (Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC).

Voting on the resolutions for 9.1 and 9.2 should be unanimous.



## II. FURTHER INFORMATION ON CONVENING

### 1. Total number of shares and voting rights on the date of convening the Annual General Meeting

On the date of convening the Annual General Meeting, the capital stock of the Company amounts to nominally € 15,505,731.00. It is divided into 15,505,731 no-par-value shares corresponding to a nominal participation in the capital stock of € 1.00 for each no-par-value share. All no-par-value shares are ordinary shares. Each ordinary share is granted one vote at the Annual General Meeting. On the date of convening the Annual General Meeting, there is therefore a total of 15,505,731 votes.

### 2. Annual General Meeting without the physical presence of the shareholders

Pursuant to § 1 Section (1), Section (2) of the Act on Measures in Corporate, Cooperative, Association, Foundation and Home Ownership Law to Combat the Effects of the COVID-19 Pandemic (Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie) [COVID-19 Act, COVID-19-Gesetz], the scope of which was extended by the Directive on Extension of Measures in Corporate, Cooperative, Association, Foundation and Home Ownership Law to Combat the Effects of the COVID-19 Pandemic (Verordnung zur Verlängerung von Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins- und Stiftungsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie) from 20 October 2020 to 31 December 2021, the Management Board has decided with the approval of the Supervisory Board that the Annual General Meeting will be held without the physical presence of the shareholders or their proxies as a virtual Annual General Meeting, since taking into account the circumstances of the pandemic this continues to appear to be necessary in order to guarantee the holding of the Annual General Meeting within the deadline applicable for this event. The Annual General Meeting will take place in the presence of the Chair of the Meeting, the Members of the Management Board, a notary engaged to take the minutes of the Annual General Meeting, the Supervisory Board, to the extent that it does not make use of the opportunity to participate by way of audiovisual transmission, and the voting proxy representatives of the Company at the Haus der Bayerischen Wirtschaft, Munich. Physical participation of the shareholders or their proxies will not be possible.

Holding the ordinary Annual General Meeting 2021 as a virtual Annual General Meeting in accordance with the COVID-19 Act [COVID-19-Gesetz] will result in modifications to the procedures of the Annual General Meeting and to the rights of the shareholders. The entire Annual General Meeting will be broadcast for the shareholders in a live audiovisual streaming on the SURTECO Investor Portal, the shareholders will have the opportunity to exercise their voting right by means of electronic communication (electronic postal vote) and appointment of a proxy, as determined in detail below. Shareholders will be given the opportunity to ask questions by way of electronic communication, and shareholders who have exercised their voting right will be able to make an objection against resolutions of the Annual General Meeting using electronic communication.

This year, we request shareholders to take particular note of the following instructions for registration for the Annual General Meeting, for exercising the voting right and in relation to other shareholders' rights.

### 3. Following the virtual Annual General Meeting and exercise of the voting right

Since the virtual Annual General Meeting will be held without the physical presence of the shareholders or their proxies, shareholders or their proxies cannot participate in person in the Annual General Meeting. The audiovisual transmission of the entire virtual Annual General Meeting will be broadcast on the SURTECO Investor Portal. You will find the access data on the registration confirmations. The portal can also be accessed using the URL address <https://ir.surteco.com/hv>.

Shareholders shall only be entitled to follow the virtual Annual General Meeting and exercise their voting right pursuant to § 15 of the Articles of Association if they have registered in text form in the German or English language at the following address before midnight on 16 June 2021:

SURTECO GROUP SE  
c/o Commerzbank AG  
GS-BM General Meetings  
60261 Frankfurt am Main  
Germany  
Fax +49 (0) 69/136 26351  
Email: generalmeetings@commerzbank.com

The shareholders must provide verification of their authorization to participate in the virtual Annual General Meeting and to exercise their voting right. For this purpose, a written verification in the German or English language relating to the share ownership issued by the most recent intermediary must have been submitted in text form before midnight on 16 June 2021. The verification must relate to the start of 2 June 2021 (record date).

As far as the Company is concerned, the only person entitled to participate in the virtual Annual General Meeting and exercise the voting right as a shareholder is the person who has provided verification of ownership of the shareholding. The authorization to participate or the scope of the voting right is based solely on the ownership of the shareholding on the record date of the verification. The record date is not associated with any vesting period for the disposal of the shareholding. Even if the shareholding is disposed of entirely or in part after the record date, the shareholding ownership of the shareholder on the record date is the sole point of reference for the participation in the Annual General Meeting and the scope of the voting right. Disposals of shares after the record date therefore exert no effects on the authorization for participation and on the scope of the voting right. The same principle applies to acquisitions and additional purchases of shares after the record date. Persons who do not own any shares on the record date and only purchase shares after that date are only entitled to participate in the Annual General Meeting and exercise voting rights, if they have been granted a power of attorney by the seller or have been authorized to exercise such rights.

After receipt of the registration and the verification of their share ownership by the Company, the shareholders are sent registration confirmations with information about electronic access and the exercise of voting rights for the virtual Annual General Meeting. In order to ensure timely receipt of the voting right cards, we ask shareholders to request a voting right card for participation in the Annual General Meeting from the institution managing the securities account as soon as possible. The necessary registration and the verification of the relevant shareholding are in these cases carried out by the institution managing the securities account.

#### **4. Procedure for submission of a vote by postal vote**

You can exercise your voting right in writing or by means of electronic communication (postal vote).

The submission, amendment or revocation of electronic postal votes can be carried out through the SURTECO Investor Portal before and during the Annual General Meeting up until the point in time announced by the Chair of the Meeting that the voting on Agenda Items should be concluded.

The postal vote can also be carried out in written or text form. The form sent with the registration confirmation can be used for this purpose. In both cases (written or text form), the votes submitted by postal vote must be received at the following address before 24:00 (midnight) on 21 June 2021. We ask for your understanding that any postal votes received later than this time cannot be taken into account, insofar as they are not submitted by way of the SURTECO Investor Portal.

SURTECO GROUP SE  
c/o Computershare Operations Center  
80249 Munich  
Germany  
Fax: +49 (0) 89 30903-74675  
Email: anmeldestelle@computershare.de

## 5. Proxy voting

### 5.1 Granting power of attorney to a third party

The shareholder can also exercise his/her voting rights by appointing a proxy of his or her choice. The form sent with the registration confirmation can be used to grant power of attorney to a proxy. The appointment should be received as soon as possible by the securities clearing and deposit bank, in order to ensure that the registration confirmation is received in good time. The grant of the power of attorney to the proxy, its revocation and verification of the power of attorney with respect to the Company must be provided in text form or can be provided by way of the SURTECO Investor Portal.

In addition to the SURTECO Investor Portal, the shareholders can send a power of attorney of this nature and revocation of the said power of attorney to the following postal address and email address:

SURTECO GROUP SE  
Johan-Viktor-Bausch-Straße 2  
86647 Buttenwiesen  
Germany  
Fax +49 (0) 8274/9988-505  
Email: HV@surteco.com

If a bank (intermediary), a shareholders' association or another of the institutions or persons deemed to be equivalent in § 135 Section (8) or Section (10) Stock Corporation Act (Aktiengesetz, AktG) is to be granted a power of attorney, there is no requirement for the text form pursuant to the law. However, we draw attention to the fact that in these cases the institutions or persons to be granted authorization may request a special form of power of attorney, because they have to record the power of attorney verifiably pursuant to § 135 Section (1) Sentence 2 Stock Corporation Act (Aktiengesetz, AktG). Therefore, if you want a bank, a shareholders' association or another of the institutions or persons deemed to be equivalent in § 135 Section (8) or Section (10) Stock Corporation Act (Aktiengesetz, AktG) to be granted authorization, you should agree a possible form of power of attorney with these institutions or persons.

If the shareholder authorizes more than one person, the Company shall be entitled to refuse entry to one or more of these persons.

### 5.2 Grant of power of attorney to voting proxy representatives nominated by the Company

We also offer our shareholders the possibility of authorizing voting proxy representatives nominated by the Company to represent shareholders in casting votes at the Annual General Meeting. The form sent with the registration confirmation can be used for this purpose. The voting proxy representatives must be granted a power of attorney and given instructions on exercising the voting right. The voting proxy representatives are bound to vote in accordance with the instructions received. The grant of the power of attorney to the proxy, its revocation and the verification of the power of attorney with respect to the Company must be provided in text form – insofar as the SURTECO Investor Portal is not used. The shareholders can send a power of attorney of this nature to the following postal address and email address:

SURTECO GROUP SE  
c/o Computershare Operations Center  
80249 Munich  
Germany  
Fax: +49 (0) 89 30903-74675  
Email: anmeldestelle@computershare.de

Powers of attorney sent by post, fax or email and instructions to the voting proxy representatives must have arrived at the latest before 24.00 (midnight) on 21 June 2021 at the address given above. We request your understanding that powers of attorney and instructions to the voting proxy representatives arriving later cannot be taken into account.

Power of attorney and instructions to the voting proxy representatives nominated by the Company can also be granted using the SURTECO Investor Portal. The submission, amendment or revocation of the power of attorney and instructions to the voting proxy representatives appointed by the Company is possible before and during the Annual General Meeting up until the point in time announced by the Chair of the Meeting that the voting on Agenda Items should be concluded.

If the shareholder authorizes more than one person, the Company shall be entitled to refuse entry to one or more of these persons.

## **6. Declaration of opposition**

Since the shareholders are only able to cast their vote by postal vote or by appointing a proxy, the requirements for appearance in person at the Annual General Meeting and for the declaration relating to the minutes pursuant to 245 No. 1 Stock Corporation Act (AktG) are waived with respect to the declaration relating to an opposition to the minutes in the Annual General Meeting pursuant to § 1 Section (2) Sentence 1 No. 4 COVID-19 Act (COVID-19-Gesetz). Shareholders who have themselves cast their votes or have exercised their voting rights through proxies can declare an objection electronically through the SURTECO Investor Portal until the end of the meeting.

You should note that pursuant to § 1 Section (7) COVID-19 Act (COVID-19-Gesetz), opposition to a resolution of the Annual General Meeting cannot be supported notwithstanding the regulation in § 243 Section (3) No. 1 Stock Corporation Act (AktG) on the basis of infringements of § 118 Section (1) Sentence 3 to 5, Section (2) Sentence 2 or (4) Stock Corporation Act (AktG) and not on an infringement of Section (2) COVID-19 Act (COVID-19-Gesetz), unless the Company can be shown to have acted with wilful intent.

## **7. Supplementary motions to the Agenda at the request of a minority in accordance with Articles 53 and 56 of the SE Directive, § 50 Section (2) of the SE Implementation Act (SE-Ausführungsgesetz, SEAG) and § 122 Section (2) Stock Corporation Act (Aktengesetz, AktG)**

Shareholders whose shares together make up at least 5 % of the capital stock or the proportionate amount of € 500,000.00 of the capital stock corresponding to 500,000 no-par-value shares can request pursuant to Articles 53, 56 SE Directive in conjunction with § 50 Section (2) SEAG (SE-Ausführungsgesetz, SEAG) and § 122 Section (2) Stock Corporation Act (Aktengesetz, AktG) that items are placed on the Agenda and announced. The requested Agenda Items (as necessary in the form of one or several resolution items) must be formulated such that the Management Board can announce these pursuant to the requirements of § 124 Stock Corporation Act (Aktengesetz, AktG). A verification that the shareholder acquired and held the shares for a period of at least three months respectively 90 days prior to the motion (§ 122 Stock Corporation Act (Aktengesetz, AktG)) is not necessary because the SE Directive as a higher instance of law does not contain a requirement of this nature.

Supplementary motions together with a justification or proposals for a resolution must be received in writing by the Company at the latest by the end of 23 May 2021:

SURTECO GROUP SE  
Management Board  
Johan-Viktor-Bausch-Straße 2  
86647 Buttenwiesen  
Germany.

If the supplementary motions have been received punctually and are subject to a mandatory requirement for announcement, they are immediately announced in the Official Gazette of the Federal Republic of Germany (Bundesanzeiger) after receipt of the request and disseminated throughout Europe, made accessible on the Internet site of the Company (hereinafter Sub-section 11) and communicated to the shareholders together with the notification convening the Annual General Meeting pursuant to § 125 Section (1) Sentence 3 Stock Corporation Act (Aktengesetz, AktG). Any statements on administration are also announced in the same way.

## **8. Motions and election proposals by shareholders pursuant to Article 53 SE Directive and § 126 Section (1), § 127 Stock Corporation Act (Aktiengesetz, AktG)**

At a virtual Annual General Meeting, shareholders do not have the opportunity to place counter-motions against proposals by the Management Board and/or Supervisory Board on specific Agenda Items at a virtual Annual General Meeting and to submit nominations for election. However, shareholders are granted the opportunity to send counter-motions against proposals by the Management Board and/or the Supervisory Board on specific Agenda Items and nomination proposals on the election of Members of the Supervisory Board or auditors. Counter-motions by shareholders against a proposal by the Management Board and/or the Supervisory Board relating to a particular Agenda Item and proposals by shareholders on the election of Members of the Supervisory Board or auditors must be directed to the following address:

SURTECO GROUP SE  
Johan-Viktor-Bausch-Straße 2  
86647 Buttenwiesen  
Germany  
Fax +49 (0) 8274/9988-505  
Email: HV@surteco.com

Properly submitted, admissible counter-motions and nomination proposals are dealt with pursuant to § 1 Section (2) Sentence 2 COVID-19 Act (COVID-19-Gesetz) at the virtual Annual General Meeting as though they had been submitted at the Annual General Meeting.

Pursuant to the statutory requirements, corresponding counter-motions and proposals for election which reach the above-mentioned address within the statutory deadline period, i.e. at the latest by 24:00 (midnight) on 8 June 2021, are immediately published following receipt of the request on the Internet site of the Company (below Sub-section 11) including the name of the shareholder and any justification. Any statements on administration are announced in the same way. Counter-motions and proposals for election, and such submissions received by the Company after the time specified in Sentence 1, addressed in any other way will not be taken into account.

If several shareholders submit counter-motions on the same subject of resolution, the Management Board can merge the counter-motions and their justifications.

## **9. Right to ask questions pursuant to § 1 Section (2) Sentence 2 COVID-19 Act (COVID-19-Gesetz)**

Any shareholder who has registered for the virtual Annual General Meeting is given the opportunity to ask questions by way of electronic communication pursuant to § 1 Section (2) COVID-19 Act (COVID-19-Gesetz). The Management Board has stated for this purpose that questions must be submitted by way of electronic communication at the latest by one day before the meeting. Questions must be submitted by 24.00 (CET) on 21 June 2021 through the SURTECO Investor Portal. The Management Board decides using its best judgement as to how it will answer the questions. You should note that although you have been enabled this year to participate in the virtual Annual General Meeting by electronic means pursuant to § 1 Section (2) COVID-19 Act (COVID-19-Gesetz), this does not grant you a comprehensive right to obtain information and speak by audiovisual transmission beyond the right to ask questions described.

## **10. Supplementary information**

This invitation, further information and explanations on shareholders' rights are provided on the Internet page of the Company (below Sub-section 11).

## **11. Internet site of the Company that provides access to information pursuant to Article 53 SE Directive in conjunction with § 124a Stock Corporation Act (Aktiengesetz, AktG)**

This convening of the Annual General Meeting, the documents to be made accessible and the motions by shareholders and other information is also available on the Internet site of the Company at <https://ir.surteco.com/hv>. The voting results recorded by the Chair of the Meeting including information pursuant to § 130 Section (2) Sentence 2 Stock Corpo-

ration Act (AktG) shall be published on this Internet page within the statutory period.

The documents specified under Agenda Item 1 can also be inspected at the business premises of the Company at Johan-Viktor-Bausch-Strasse 2, 86647 Buttenwiesen, Germany, as well as on the Internet site of the Company. On request, they will also be sent free of charge to the shareholders.

## **12. Audiovisual broadcast of the entire Annual General Meeting**

All shareholders who have registered for the virtual Annual General Meeting can follow the entire Annual General Meeting being held on Wednesday, 23 June 2021, from 10:00 on the Internet address provided on the registration confirmation or at <https://ir.surteco.com/hv>.

Buttenwiesen, May 2021

The Management Board

## Annex 1 to Agenda Item 6

<b>Name</b>	Jan Oberbeck
<b>Year of birth</b>	1969
<b>Nationality</b>	German
<b>Marital status</b>	married, 2 children
<b>Degree</b>	Economist
<b>Place of residence</b>	Sankt Augustin



### Professional career

2014 – present	Managing Shareholder of G. Schürfeld + Co. (GmbH & Co.) KG, Hamburg
2016 – 2020	CEO of All4 Labels Group GmbH, Hamburg
2002 – 2006	Member of the Management Board of Schleipen & Erkens AG, Jülich (jointly held position)
1996 – 2016	Managing Shareholder of X-label Group GmbH, Solingen (merged into All4 Labels Group GmbH)

### Positions on Management Boards, Supervisory Boards and Advisory Councils

2020 – present	Member of the Supervisory Board of All4Labels GmbH, Hamburg
2019 – present	Member of the Advisory Council of Smart Coloring GmbH, Aachen

### Language skills

English (presentation and business level)  
Spanish (basic knowledge)

### Core competences

Operational Excellence, Supply Chain Optimization, Sales & Marketing, Conventional & Digital Printing, Business & Product Development, M&A

# Annex 2 to Agenda Item 7

## Compensation System for the Management Board of SURTECO GROUP SE

The Supervisory Board of SURTECO GROUP SE with registered office in Bittenwiesen and registered in the Company Register of the Local Court Augsburg (Amtsgericht Augsburg) under HRB 23000 – hereinafter referred to as “Company” – passed a resolution on 28 April 2021 relating to the following compensation system, which will be submitted for approval to ordinary Annual General Meeting being held on 23 June 2021 pursuant to § 120a Section (1) Stock Corporation Act (AktG).

### 1. Principles

The starting point for the compensation of the Members of the Management Board is § 87 Section (1) Stock Corporation Act (AktG). According to this law, the Supervisory Board must ensure when defining total remuneration for the individual Member of the Management Board that this compensation is in a reasonable relationship with the range of functions and personal performance of the individual Management Board Member, and the position of the Company, and that the compensation is commensurate with normal remuneration unless there are special reasons. The compensation structure should also be aligned with the sustainable and long-term development of the Company. Variable compensation elements should have an assessment basis over several years. The Supervisory Board should agree a limitation option. Sentence 1 applies mutatis mutandis for pension, surviving dependents’ benefits and related benefits.

The compensation is intended to motivate Members of the Management Board – who are employed as third-party managers, not as proprietors of the Company – to increase the income and the corporate value of the Company, in order to generate an attractive return for shareholders. The focus here is not simply on the short-term success of the Company but also on the increase in corporate value over the medium and long term, which will benefit the shareholders, the employees and the business partners of the Company. On the one hand, this requires a fixed salary component and fringe benefits, which takes into account the role of the Member of the Management Board as a third-party manager, counteracts the exposure to disproportionate risks and compensates for economic disadvantages that are associated with the activity of a Board Member. On the other hand, the motivation to increase earnings and the corporate value is influenced in particular by the variable component of the compensation, which is partly linked to specific financial performance indicators and partly on other targets. In the opinion of the Supervisory Board, this kind of mix of fixed and variable salary components has proven to be very satisfactory. Accordingly, the structure of the compensation of the Management Board is comprised of the following components:

- fixed compensation (below Sub-section 3.1),
- variable compensation (below Sub-section 3.2) and
- fringe benefits (below Sub-section 3.3).

The fixed and variable compensation can be defined at a higher level for the Chairman of the Management Board than for the other Members of the Management Board, in order to take account of the higher overall responsibility of the Chairman of the Management Board

An upper limit is defined in each case for the fixed compensation and for the overall compensation, which simultaneously acts as a limit for the variable compensation (below Sub-section 4). This is intended to avoid payouts perceived to be inappropriately high.

All compensation components are paid in euros with retention of statutory deductions.

### 2. Definition of the level of compensation

Using its best judgement pursuant to § 87 Section (1) Stock Corporation Act (AktG), the Supervisory Board carries out a suitable horizontal peer group comparison in order to assess the appropriateness and customary level of the overall compensation for the Members of the Management Board in comparison with other companies. This peer group com-



parison takes into account the position in the markets of the comparable enterprises compared with the Company as the key factor. Against this background, different compensation data from comparable enterprises in the MDAX were and are used. The objective of the Supervisory Board is to be able to offer the Members of the Management Board an attractive compensation package within the regulatory framework conditions that is customary for the market and at the same time competitive.

When defining the total compensation within the framework of § 87 Stock Corporation Act [AktG], the Supervisory Board also takes account of the salary structure of the second management tier of the Group (vertical comparison), that is specifically the average of the total remuneration of the authorized signatories (Prokuristen) of SURTECO GROUP SE and the managing directors and authorized signatories (Prokuristen) of the important operating subsidiary companies in Germany. This is subject to the proviso that the remuneration of a Member of the Management Board of SURTECO GROUP SE shall exceed the individual earnings of the second management tier as a matter of course, because these latter executive managers are only responsible for their individual company or their limited area of activity, and not for the entire group of companies.

In a comparison with the average compensation for the second management tier, the Management Board compensation in 2020 amounted to approximately sixfold the average remuneration of these managers. In the view of the Supervisory Board, this factor is proportionate in view of the responsibility for the entire group of companies associated with the function of the Management Board.

A comparison is not carried out with the remuneration paid to employees because the functions and responsibilities are not comparable.

### **3. Components of compensation**

#### **3.1 Fixed compensation**

The fixed compensation is not based on performance. It comprises a fixed amount for the entire business year, which is paid on a monthly basis in twelve equal sub-amounts (minus the statutory deductions). If a contract of employment begins or ends in the course of a year, the fixed compensation is paid pro rata with time.

The level of the fixed compensation for the Chairman of the Management Board should not exceed EUR 550,000 p.a (gross not including fringe benefits), and for the Members of the Management Board in each case should not exceed EUR 300,000 p.a. (gross not including fringe benefits). In the case of new appointments, the amount can be staggered over the first three years.

#### **3.2 Variable compensation**

In addition to the fixed remuneration (Sub-section 3.1), a variable compensation (bonus) is granted. The amount of this performance-related compensation depends on fulfilment of specified targets which are defined in advance by the Supervisory Board in consultation with the Management Board for each business year. The following targets determine the amount of the variable compensation:

- Attainment of a specified EBITDA,
- Attainment of a specified free cash flow (FCF),
- Strategic goals,
- Sustainability targets.

The weighting of the individual targets for the total variable compensation and the individual defined targets are determined by the Supervisory Board using its best judgement.

EBITDA and free cash flow (in each case related to the Group) are key performance indicators for the financial success of the Company, which play a major role in determining the earnings and the corporate value. As part of target attainment for EBITDA and free cash flow (FCF), the Supervisory Board is entitled to take into account one-off influences such

as the impacts of company acquisitions and restructuring measures by increasing or decreasing the bonus payment.

The Supervisory Board defines strategic goals and sustainability goals using its best judgement. Expanding the business in specific regions or products might be a strategic target, which the Management Board identifies as particularly important for the future growth of the Company. Sustainability targets may be, for example, environmental targets that take account of the future sustainability and macroeconomic responsibility of the Company. One example of this is limiting CO<sub>2</sub> emissions, for example by increasing the proportion of renewable energy in procurement and production, and an improvement in energy efficiency.

The Supervisory Board defines the variable compensation on the basis of the level of attainment of individual targets for the relevant last business year. Target attainment for the financial performance indicators (EBITDA and free cash flow/FCF) is easily assessed from the accounting records of the Company. The Company's performance indicators can also generally be used to determine the strategic goals– for example, if the business is being expanded in specific regions the sales and income figures can be used for the relevant region. Target attainment for sustainability goals can also be identified using the reports of the Company, e.g. the development of CO<sub>2</sub> emissions from the relevant environmental reports. In other cases or to the extent that definition is not possible on the basis of documented figures, the Supervisory Board reaches a decision using its best judgement.

The Supervisory Board assesses the targets and target attainment in each case individually; there is no offsetting between the targets.

When defining targets, the Supervisory Board is permitted to distinguish between the Chairman of the Management Board and the other Members of the Management Board. Within the weighting defined by it, the Supervisory Board can provide for a payment depending on the level of target attainment (proportionate bonus for attainment of a defined percentage of the relevant target).

The variable compensation is thereby partly based on financial performance indicators (EBITDA and free cash flow), i.e. on the annual business result of the Company. The compensation increases as EBITDA or free cash flow increases. It is self-evident that the Members of the Management Board will be motivated by these incentives to increase earnings because they in turn participate directly through their variable compensation. Earnings are relevant for corporate value and simultaneously also for the dividend and hence also in the interests of the shareholders for a (sustainable) increase in value of their shareholding. The two other goals complement the targets derived from the financial performance indicators with other elements. They include strategic goals and sustainability goals which reflect the longer-term development of the Company within its environment and are not solely based on a short-term result. As a consequence, short and medium-term, as well as long-term targets are relevant for calculation of the bonuses.

No provision is made for other personal targets and criteria in the compensation system.

As a result of the absolute upper limit (below Sub-section 4) now defined pursuant to § 87a Section (1) Sentence 2 No. 1 Stock Corporation Act (AktG) and the upper limit for fixed compensation (above Sub-section 1), an upper limit is also defined for variable compensation in the contracts of service because this varies within the bandwidth of fixed compensation (including fringe benefits) and the absolute upper limit.

The long-term component promoted in § 87 Section (1) Stock Corporation Act (AktG) is ensured in the case of the compensation for the Management Board of the Company by initially only paying out 50 % of the bonus for business year 01 initially (after the Annual General Meeting which decides on the appropriation of profit for the relevant completed business year). The following procedure is then adopted for paying out the remaining 50 %:

- The sum amounting to 50 % of the bonus amount is payable with the value date on the day of the Annual General Meeting of SURTECO GROUP SE which passes a resolution on the discharge of the Management Board for year 03. When the bonuses for the business years 01, 02 and 03 (referred to as "reference period below), calculated and defined on the basis of the above principles, are on average higher or lower than the bonus amount for the business year 01, the 50 % payment amount is reduced or increased by the percentage by which the average bonus for the reference period is below or above the bonus for the year 01. However, the amount paid out is never negative.

- If a contract of service for a Member of the Management Board ends in the current business year 01, the calculations for the bonus for the business years 01, 02 and 03 are nevertheless to be carried out exclusively for purposes of the payout of the remaining bonus for the business year 01 in business year 04. However, in this case there shall be no further payout of bonuses for the business years 02 and 03. The calculation principles outlined above apply correspondingly if the employment relationship is terminated in the following years (business year 02 and subsequently).
- The Supervisory Board can conclude a deviation from the aforementioned multi-year assessment basis, if particular reasons justify this, namely in the case of acquisition of companies or in the case of restructuring measures, and for ending the activity of the Member of the Management Board for the Company.

“Business year 01” is the business year for which the bonus is defined. “Business years 02”, “03” and “04” are the subsequent business years following business year 01.

If the contract of service comes to an end, the Member of the Management Board can request that any retentions of bonuses currently in existence at this point in time are paid out to him, less an amount of 10 %. However, the amount to be paid out in this way must not be higher than the payment amount which is calculated for the last reference period already completed on the date of leaving. This regulation takes into account the fact that the former Member of the Management Board can no longer influence the results of subsequent years. On the other hand, the deduction of 10 % ensures that the Member of the Management Board to this extent participates on the basis of a lump-sum amount in the future risks, the foundation of which may well have been laid during his period of office, if the Board Member already desires a payment of the retention amount on his departure.

In the view of the Supervisory Board, the above regulation provides an appropriate arrangement in order on the one hand to satisfy the long-term component required under statutory regulations, while at the same time not simply aligning the motivation of the Management Board with long-term perspectives but also retaining focus on the short-term result of the Company and the dividend.

There will be no variable compensation payments beyond the variable compensation described above, in particular no share-based variable compensation arrangements (share option plans).

### **3.3 Fringe benefits**

Apart from making available communication and work resources, fringe benefits include the provision of a vehicle in the executive class, which can also be used for private purposes, the premiums for accident and death-benefit life insurance policies, a hospital daily benefit insurance and a financial loss liability insurance (D&O insurance). Furthermore, allowances such as supplements for rental payments and journeys home may be granted in cases where Members of the Management Board relocate their main domicile to one of the Group’s locations.

Out-of-pocket expenses incurred by a Member of the Management Board in the exercise of their activities (e.g. travel costs and subsistence expenses) will be reimbursed in accordance with the relevant guidelines applicable in the Company.

There is no occupational pension scheme for Members of the Management Board at the Company. However, the Supervisory Board can grant payments to a Member of the Management Board for the establishment or continuation of their own pension provision, particularly if this appears to be necessary in order to attract qualified managers to the Company, who had a corresponding arrangement in their previous contracts of services and expect a continuation at the Company.

## **4. Definition of a maximum compensation for the Members of the Management Board**

The maximum compensation (fixed salary including all fringe benefits and variable compensation) should not exceed a total amount of EUR 2,500,000 p.a. for the Chairman of the Management Board and a total amount of EUR 1,250,000 p.a. in each case for each additional Member of the Management Board.

The maximum compensation can deviate from the defined maximum compensation in the first year when a new Member of the Management Board commences their term of office, insofar as the Supervisory Board grants payments to the new Member of the Management Board as compensation for missed payments from the previous employment relationship as a result of taking up their new office. In this case, the maximum remuneration increases by up to 30 % only for this single business year.

## **5. Terms and special arrangements**

When appointing new Members of the Management Board and for the term of the contracts for the Members of the Management Board, the Supervisory Board observes the provisions of corporate law defined under § 84 Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code (DCGK). In the case of a first-time appointment to the Management Board, the duration of the appointment and the term of the contract of service is generally for three years. In the case of reappointments or an extension of the term of office, the maximum duration of the contract of service is five years (§ 84 Section (1) Sentence 1 Stock Corporation Act (AktG)). The contracts of service do not provide for any ordinary notice of termination. The right of both sides to serve extraordinary notice of termination is not affected.

If temporary incapacity for work occurs as a result of illness, accident or for other reasons not the responsibility of the Member of the Management Board, the fixed salary will continue to be paid for a period of maximally 12 months, at the longest until the end of the contract of service. If the fixed salary is suspended, the Company is also entitled to correspondingly reduce appropriately the variable compensation or its assessment basis for the relevant business year. If a Member of the Management Board becomes permanently incapacitated during the term of the contract of employment, the contract of service will end at the close of the calendar quarter in which the permanent incapacity for work is established.

In the case of death, the surviving dependents of the Member of the Management Board are entitled to continue to receive payment of the fixed salary for the month of death and for a maximum period of six months afterwards.

A post-contractual prohibition on competition can be agreed with Members of the Management Board for the period of maximum two years, if the Supervisory Board believes in its best judgement this to be expedient in view of the functions, knowledge and experience of the Member of the Management Board, their personal situation and the risk situation for the Company. An appropriate compensation (ex-gratia compensation) is granted for the period of the post-contractual competition prohibition in the annual amount of 50 % of the contractual payments last received.

Any payments to the Member of the Management Board in the case of premature termination of the activity on the Member of the Management Board should not exceed the value of two annual compensation payments (severance cap) and should not remunerate a period longer than the residual term of the contract of service. Any severance payments should be offset with ex-gratia compensation payments for a post-contractual prohibition on competition.

No special arrangements for a change of control or promises of redundancy payments are made.

The Members of the Management Board are entitled to maximum annual leave of 30 days.

## **6. No clawback clauses**

Clauses by which the return of compensation components can be effected under certain conditions (known as "clawback" clauses) are not a constituent element of the compensation system. Clauses of this nature are not required pursuant to § 87a Stock Corporation Act (AktG) [Poelzig, NZG 2020, 41, 44] and currently are not in accordance with the market standard. Furthermore, there is no obligation within the framework of § 87 Section (1) Stock Corporation Act (AktG) [also Löbke/Fischbach, AG 2019, 373, 377]. If clauses of this nature were proposed, the prerequisites would have to be precisely defined in advance, under which the return of payments made by the Company can be requested from the Member of the Management Board. Clauses of this type can be associated with significant legal uncertainties. The Supervisory Board is therefore of the opinion that retention of part of the variable compensation (long-term component) already takes account of objective of this type of clause and that comparable legal risks are not associated with such

a retention. If there are any breaches of obligations incumbent on a Member of the Management Board, the Supervisory Board would be required independently to pursue any existing claims relating to compensation for damages against the Member of the Management Board pursuant to § 93 Section (2) Stock Corporation Act (AktG).

## **7. Deviations**

At the proposal of the Personnel Committee, the Supervisory Board can temporarily deviate from the components of the compensation system (§ 87 Section (2) Sentence 2 Stock Corporation Act (AktG)), if this is necessary in the interest of the long-term wellbeing of the Company. Exceptional developments include extraordinary and far-reaching changes in the economic situation (for example, a serious economic crisis), which renders the original financial incentives for the compensation system redundant, provided that these changes or their concrete effects were not foreseeable. Generally unfavourable market developments are not deemed to be extraordinary developments. The components of the compensation system from which deviations are permitted are the procedure, the arrangements governing compensation structure and level of compensation, and the individual compensation components (amount and structure of the fixed and variable compensation) including the upper limits. If an adjustment of the existing compensation components is not sufficient in order to reinstate the incentive effect of the compensation for the Member of the Management Board, the Supervisory Board has the right in the event of extraordinary developments under the same prerequisites to grant additional compensation components on a temporary basis. A deviation from or supplement to the compensation components is only possible on the basis of a corresponding resolution passed by the Supervisory Board in respect of a proposal submitted by the Personnel Committee, which identifies the extraordinary circumstances and the necessity for a deviation or a supplement.

## **8. Appraisal**

The Personnel Committee of the Supervisory Board regularly reviews the compensation system, particularly when there are changes in the Management Board. In the course of such reviews, the Personnel Committee will analyze whether the compensation system – in particular taking into account the development of comparable companies listed on the stock exchange – is appropriate for the Company and will enable it in future to attract qualified managers for the Company in future. As appropriate, the Personnel Committee will submit appropriate proposals to the Supervisory Board for an adjustment of the compensation system.

## **9. Disclosures pursuant to § 87a Section (1) Sentence 2 Sub-sections 1 to 11 Stock Corporation Act (AktG)**

The disclosures relating to the compensation system pursuant to § 87a Section (1) Sentence 2 Sub-sections 1 to 11 Stock Corporation Act (AktG) can be summarized in a table as outlined below. Disclosures relating to Sub-sections 2 to 11 are only necessary to the extent that the corresponding contents of the compensation system are used in SURTECO GROUP SE:

§ 87a Section (1) Sentence 2 Stock Corporation Act (AktG)	Content of the compensation system in accordance with the law (Sub-sections 2 to 11 only insofar as used in the affected company)	Compensation system of SURTECO GROUP SE
1.	Definition of a maximum compensation for the Members of the Management Board	<p>For the Chairman of the Management Board: EUR 2,500,000 p.a., and for each Member of the Management Board in each case EUR 1,250,000 p.a. (see Sub-section 4 of the compensation system).</p> <p>The maximum compensation can deviate from the defined maximum compensation in the first year when a new Member of the Management Board commences their term of office, if the Supervisory Board in exceptional cases grants payments to the new Member of the Management Board as compensation for missed payments from the previous employment relationship as a result of taking up their new office. In this case, the maximum remuneration increases by up to 30 % only for this single business year.</p>
2.	Contribution of the compensation for promoting the business strategy and for the long-term development of the Company;	<p>The compensation is intended to motivate Members of the Management Board – who are employed as third-party managers, not as proprietors of the enterprise – to increase the income and the corporate value of the Company and thereby to generate an attractive return for shareholders. The focus here is not simply on the short-term success of the Company but also on the increase in corporate value over the medium and long term, which will benefit the shareholders, the employees and the business partners of the Company. On the one hand, this requires a fixed salary component and fringe benefits, which takes into account the role of the Member of the Management Board as a third-party manager, counteracts the exposure to disproportionate risks and compensates for economic disadvantages that are associated with the activity of a Board Member. On the other hand, the motivation to increase the corporate value is influenced primarily by the variable component of the compensation, which is linked to EBITDA of the enterprise, the free cash flow (FCF), strategic goals and sustainability goals). In the opinion of the Supervisory Board, this kind of mix of fixed and variable salary components has proven to be very satisfactory. Accordingly, the compensation is comprised of the following three components:</p> <ul style="list-style-type: none"> <li>• Fixed compensation (Sub-section 3.1 of the compensation system),</li> <li>• Variable compensation (Sub-section 3.2 of the compensation system) and</li> <li>• Fringe benefits (Sub-section 3.3 of the compensation system).</li> </ul>

§ 87a Section (1) Sentence 2 Stock Corporation Act (AktG)	Content of the compensation system in accordance with the law (Sub-sections 2 to 11 only insofar as used in the affected company)	Compensation system of SURTECO GROUP SE
3.	All fixed and variable compensation components and their relevant relative share in the remuneration;	<p>Fixed compensation (Sub-section 3.1 of the compensation system):</p> <ul style="list-style-type: none"> <li>• Chairman of the Management Board: maximum EUR 550,000 p.a.</li> <li>• Members of the Management Board: in each case maximum EUR 300,000 p.a.</li> </ul> <p>Variable compensation (Sub-section 3.2 of the compensation system): Variable compensation on the basis of attainment of specified targets (development of EBITDA and free cash flow/FCF – in each case related to the Group, strategic goals and sustainability goals). The Supervisory Board defines the strategic goals and the sustainability goals, and the individual target parameters and the proportion of the individual goal in the total variable compensation in accordance with its best judgement.</p> <p>Other compensation components (Sub-section 3.3 of the compensation system): Communication and work resources, company car, premiums for accident and death-benefit life insurance policies, supplements for rental payments and journeys home. As appropriate, allowance for own pension provision. Reimbursement of out-of-pocket expenses in accordance with the relevant guidelines of the Company.</p> <p>Relative proportions of the compensation components in the compensation:</p> <p>Chairman of the Management Board:</p> <ul style="list-style-type: none"> <li>• Fixed salary: 20 - 40 %</li> <li>• Variable compensation: 60 to 80 %</li> <li>• Fringe benefits: 1 to 3 %</li> </ul> <p>Members of the Management Board:</p> <ul style="list-style-type: none"> <li>• Fixed salary: maximum 20 to 40 %</li> <li>• Variable compensation: 60 to 80 %</li> <li>• Fringe benefits: 1 to 3 %</li> </ul> <p>The above percentages are based on several assumptions: (i) utilization of the upper limits for fixed compensation, (ii) complete utilization of the absolute upper limits (Sub-section 4 of the compensation system) by the level of variable compensation and (iii) the assumption that no allowance has been granted for pension provision with the scope of fringe benefits. If the upper limit is not utilized and/or an allowance for pension provision is granted, the proportion of variable compensation in the total compensation is reduced accordingly. Conversely, the share of variable compensation can increase if the amount of the fixed compensation does not reach the upper limit envisaged for it. Moreover, the percentages change if the upper limit in the concrete contract of service is defined at a lower level than the amount defined in Sub-section 4 of the compensation system.</p>

§ 87a Section (1) Sentence 2 Stock Corporation Act (AktG)	Content of the compensation system in accordance with the law (Sub-sections 2 to 11 only insofar as used in the affected company)	Compensation system of SURTECO GROUP SE
4.	<p>All financial and non-financial performance criteria for granting variable compensation components including</p> <p>a. an explanation of how these criteria contribute to promotion of the goals in accordance with number 2, and</p> <p>b. a presentation of methods used to identify the attainment of the performance criteria;</p>	<p>Definition of the variable compensation on the basis of attainment of targets defined in advance with the following components (and a weighting within the total variable compensation defined by the Supervisory Board in accordance with its best judgement):</p> <ul style="list-style-type: none"> <li>• EBITDA</li> <li>• free cash flow (FCF),</li> <li>• Strategic goals</li> <li>• Sustainability goals.</li> </ul> <p>The Supervisory Board assesses the target attainment in each case individually; there is no offsetting with the results of other goals. When defining the targets, the Supervisory Board is permitted to distinguish between the Chairman of the Management Board and the other Members of the Management Board. Within the weighting defined by it, the Supervisory Board can provide for a payment depending on the level of target attainment (proportionate bonus for attainment of a defined percentage of the relevant target).</p> <p>In the case of the financial performance indicators (EBITDA and FCF), the Supervisory Board is entitled to take into account one-off influences (e.g. the impacts of company acquisitions and restructuring measures) by increasing or decreasing the bonus payments. The variable compensation is thereby based on financial performance indicators (EBITDA and free cash flow/FCF), i.e. on the annual business result of the Company. The compensation increases as EBITDA or free cash flow increases. It is self-evident that the Members of the Management Board will be motivated by these incentives to increase earnings because they in turn participate directly through their variable compensation. Earnings are relevant for corporate value and simultaneously also for the dividend and hence also in the interests of the shareholders for a (sustainable) increase in value of their shareholding. The two other components (strategic goals, sustainability goals) complement the targets derived from the financial performance indicators by other factors. They therefore include goals which reflect the longer-term development of the Company within its individual environment and also take account of the macroeconomic responsibility of the Company. As a result of the partly postponed payout (below Sub-section 5) and potential adjustment based on a multi-year assessment basis, the necessary sustainability is ensured.</p> <p>The Supervisory Board defines the variable compensation on the basis of the target attainment for the relevant last business year.</p> <p>Target attainment for the financial performance indicators (EBITDA and free cash flow/FCF) is easily assessed from the accounting records of the Company. The Company's performance indicators can also generally be used to determine the strategic goals – if the business is being expanded in specific regions or products the sales and income figures, for example, can be used for the relevant region or product. Target attainment for sustainability goals can also be identified using the reports of the enterprise, e.g. the development of CO<sub>2</sub> emissions from the relevant environmental reports. In other cases or to the extent that definition is not possible on the basis of documented figures, a definition is arrived at by the Supervisory Board using its best judgment.</p>



§ 87a Section (1) Sentence 2 Stock Corporation Act (AktG)	Content of the compensation system in accordance with the law (Sub-sections 2 to 11 only insofar as used in the affected company)	Compensation system of SURTECO GROUP SE
5.	Deferment periods for the payout of compensation components;	<p>50% retention of the variable compensation and payout after three years, adjusted on the basis of average interim development of target attainment – as described in Sub-section 3.2 of the compensation system.</p> <p>The Supervisory Board can conclude a deviation from the aforementioned multi-year assessment basis, if particular reasons justify this, namely in the case of acquisition of companies or in the case of restructuring measures, and for ending the activity of the Member of the Management Board for the Company.</p> <p>If the contract of service comes to an end, the Member of the Management Board can request that any retentions of bonuses currently in existence at this point in time are paid out to him, less an amount of 10 %. However, the amount to be paid out in this way must not be higher than the payment amount which is calculated for the last reference period already completed on the date of leaving.</p>
6.	Opportunities for the Company to request repayment of variable compensation components;	Only within the 50% retention (Sub-section 5 of this table) if corresponding conditions are applicable. Furthermore, there is no claw-back clause, provided there is no breach of obligation and no claims pursuant to § 93 Section (2) Stock Corporation Act (AktG) or breach of other statutory regulations against the Member of the Management Board.
7.	<p>In the case of share-based compensation:</p> <ul style="list-style-type: none"> <li>a. periods and deadlines,</li> <li>b. the conditions for holding shares after acquisition and</li> <li>c. an explanation of how this compensation contributes to promotion of the goals in accordance with number 2;</li> </ul>	There is no share-based compensation.
8.	<p>in relation to compensation-related legal transactions:</p> <ul style="list-style-type: none"> <li>a. the terms and prerequisites of their termination, including the individual periods for notice of termination,</li> <li>b. any promises of severance compensation payments and</li> <li>c. the main attributes of the pension and prepension arrangements;</li> </ul>	<p>Members of the Management Board can be granted payments to finance their own pension provision. Apart from this, there is no company pension provision for Members of the Management Board.</p> <p>There is no other provision for compensation-related legal transactions.</p>

§ 87a Section (1) Sentence 2 Stock Corporation Act (AktG)	Content of the compensation system in accordance with the law (Sub-sections 2 to 11 only insofar as used in the affected company)	Compensation system of SURTECO GROUP SE
9.	Explanation of how the compensation and employment conditions of the employee were taken account of in defining the compensation system, including an explanation of which circle of employees was included;	<p>When defining the total compensation, the Supervisory Board took account of the salary structure of the second management tier of the Group, that is specifically the average of the total remuneration of the managing directors and the authorized signatories (Prokuristen) of the important operating subsidiary companies of the Group in Germany. The remuneration of a Member of the Management Board of SURTECO GROUP SE shall exceed the individual earnings of this group of people as a matter of course, because these managing directors and executive employees are only responsible for their individual company or sub-functions, and do not bear responsibility for the entire group of companies. In a comparison with the average compensation for the second management tier, the Management Board compensation (status: 2020) amounts to approximately sixfold the average remuneration of these managers. In the opinion of the Supervisory Board, this factor is not disproportionate in view of the responsibility associated with the function of the Management Board covering the entire Company.</p> <p>A comparison is not carried out with the remuneration paid to employees because the functions and responsibilities are not comparable.</p>
10.	Presentation of the procedure for defining and implementing, as well as reviewing the compensation system including the role of any affected committees and the measures for avoidance and handling of conflicts of interest;	<p>The Personnel Committee prepares the regular review of the compensation system for the Members of the Management Board by the Supervisory Board, particularly when there are changes in the Management Board. In the course of such reviews, the Personnel Committee will analyze whether the compensation system – in particular taking into account the development of comparable companies listed on the stock exchange – is appropriate for the Company and will enable it to attract qualified managers for the Company in future.</p> <p>If there are significant changes but at least every four years, the compensation system shall be re-submitted to the Annual General Meeting for approval. If the Annual General Meeting does not approve the relevant compensation system submitted for a vote, a reviewed compensation system shall be submitted at the latest to the next ordinary Annual General Meeting for a vote on a resolution.</p> <p>In respect of the avoidance of potential conflicts of interest, the Members of the Supervisory Board and all other committees must inform the Supervisory Board of any conflicts of interest. In this case, the relevant Members of the Supervisory Board do not participate in deliberations relating to the relevant Agenda Items in the Supervisory Board and in the relevant committees. If the conflicts of interest are significant and not simply of a temporary nature, this may lead to the termination of the mandate on the Supervisory Board.</p>

§ 87a Section (1) Sentence 2 Stock Corporation Act (AktG)	Content of the compensation system in accordance with the law (Sub-sections 2 to 11 only insofar as used in the affected company)	Compensation system of SURTECO GROUP SE
11.	<p>in case of submission of a compensation system reviewed pursuant to § 120a Section (3):</p> <ul style="list-style-type: none"> <li>a. an explanation of all significant changes and</li> <li>b. an overview of the extent to which voting and comments by the shareholders were taken into account in relation to the compensation system and the compensation reports.</li> </ul>	Not relevant to date.

## 10. Entry into effect

The compensation system is to be applied from the day on which it is approved by the Annual General Meeting. The contracts of service currently in force for Members of the Management Board will not be affected.

# Privacy Notice

[Duty to inform in accordance with Articles 13 and 14 GDPR]

In order to conduct the Annual General Meeting, SURTECO GROUP SE processes the following categories of your personal data: contact data (e.g. name or address), information about your shares (e.g. number of shares) and administrative data (e.g. admission card number). The basis for processing personal data for the Annual General Meeting is Article 6 Section (1) (c) General Data Protection Regulation (GDPR). In accordance with this, processing personal data is lawful when processing is required to comply with a legal obligation. SURTECO GROUP SE is legally obliged to conduct the shareholders' Annual General Meeting. Processing of the above categories of personal data is necessary to comply with this duty. You may not register to attend the Annual General Meeting without disclosing your personal data.

SURTECO GROUP SE is responsible for processing these data. The controller's contact details are as follows:

SURTECO GROUP SE  
Johan-Viktor-Bausch-Str. 2  
86647 Buttenwiesen  
Germany  
Phone +49 (0) 8274 9988 0  
Email: info@surteco-group.com

The SURTECO GROUP SE data protection officer can be contacted at:

Dr. Catrin Kollmann  
Johan-Viktor-Bausch-Str. 2  
86647 Buttenwiesen  
Germany  
Phone: +49 (0) 8274 / 99 88 0  
Email: datenschutz@surteco-group.com

As a matter of principle your personal data shall not be disclosed to third parties. By way of exception, third parties commissioned by SURTECO GROUP SE to provide services related to holding the Annual General Meeting will have access to these data. These are typical service providers for Annual General Meetings (such as agencies, solicitors or auditors providing services for Annual General Meetings). The service providers receive personal data only to the extent required to provide their service. Data are also passed on if there are statutory obligations to forward data.

The aforementioned data shall be erased two years from the conclusion of the Annual General Meeting unless further processing of the data is required in individual cases to process submissions, resolutions or legal proceedings related to the Annual General Meeting.

You are entitled to request information free of charge about your personal data that have been stored. In addition, you have the right to rectification of incorrect data, the right to demand restriction of the processing of data processed beyond a minimum, and the right to erasure of personal data which have been unlawfully processed or stored for too long (provided that no conflicting duty of retention and no other grounds in accordance with Article 17 Section (3) GDPR exist). Furthermore, you have the right to have all the data, which you have disclosed to us, transmitted in standard file format (right to data portability). Moreover, you have the right to lodge a grievance with a data protection regulatory authority.

The competent data authority is:

Bayerisches Landesamt für Datenschutzaufsicht  
Promenade 27 (Schloss), 91522 Ansbach, Germany  
Phone: +49 (0) 981/53-1300, Fax: +49 (0) 981/53-5300  
poststelle@lda.bayern.de ; <http://www.lda.bayern.de>



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