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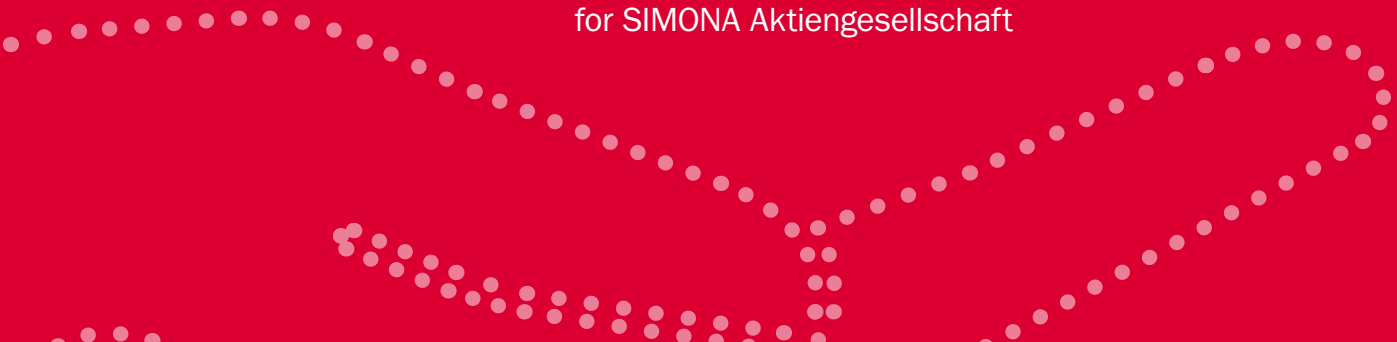
**SUSTAIN  
ABLE  
GROWTH**

**Compensation Report**

pursuant to Section 162 of the German Stock Corporation Act (Aktiengesetz – AktG)

for the financial year from 1 January to 31 December 2022

for SIMONA Aktiengesellschaft



# SIMONA AG compensation report pursuant to Section 162 of the German Stock Corporation Act (Aktiengesetz – AktG) for the financial year from 1 January to 31 December 2022

The compensation report contains details of the compensation, i.e. remuneration, granted and owed to members of the Management Board and Supervisory Board, specifying their names, and is prepared by the Management Board and Supervisory Board. Compensation shall be considered granted when it is actually paid to a member of the governing body and thus passes into their ownership. Reporting is performed in respect of current and former members of the governing bodies. This compensation report has been formally audited by the auditor. Beyond this, it was not subject to any further substantive audit.

At the Annual General Meeting of 10 June 2022, the compensation report for the 2021 financial year, prepared and formally audited in accordance with Section 162 AktG, was approved in accordance with Section 120a(4) AktG. Approval was given with 99.99% votes in favour.

There were no changes in the composition of the Management Board in the 2022 financial year.

There were no changes in the composition of the Supervisory Board in the 2022 financial year.

## Current Management Board compensation

In this compensation report, the old compensation system applies to the variable components of compensation relating to the year 2021. As regards contract extensions and new appointments concluded subsequent to 14 April 2021, the new compensation system approved by the Annual General Meeting on 2 June 2021 shall be applied and shall be authoritative for this compensation report.

On 6 October 2021, a contract extension for Dr. Jochen Hauck was agreed for a further five years until 31 December 2026. On 6 December 2021, contract extensions for Messrs. Matthias Schönberg and Michael Schmitz were each agreed for a further five years until 14 August 2027.

The Supervisory Board, based on the recommendations of the Personnel and Nomination Committee, is responsible for determining the overall compensation of the respective Management Board members. It also regularly reviews the compensation system relating to the Management Board. The Personnel and Nomination Committee consists of the Supervisory Board Chairman Dr. Ing. Klaus F. Erkes as well as the Supervisory Board members Roland Frobél and Dr. Roland Reber. Compensation for the members of the Management Board of SIMONA AG is calculated on the basis of the size of the company, its commercial and financial position, as well as the level and structure of compensation granted to Management Board members of similar enterprises. In addition, the duties and the contribution of the respective members of the Management Board are taken into account.

Management Board compensation is performance-based. It is comprised of a fixed element of compensation as well as a variable component. The fixed component of compensation is paid as a fixed salary on a monthly basis. The fixed component of compensation is reviewed every two years, while the variable compensation target is reviewed annually. In addition, both components are subject to thorough analyses in intervals of two to three years, based on a comparison with compensation figures applicable to executive staff of similar enterprises.

Alongside their fixed salary, the members of the Management Board also receive company pension benefits and fringe benefits in the form of non-cash remuneration, which mainly consists of a company car, telephone and insurance policies. Contributions to D&O insurance are not included in the amounts listed below.

The benefits for the company pension scheme are fixed contributions for an indirect defined contribution plan based on a reinsured pension concept. The benefit commitments relate to benefits in respect of retirement, disability and surviving dependants.

Short-term variable compensation ("profit-based bonus") is aligned with the financial performance criterion Group EBT (earnings before taxes) according to IFRS (adjusted for the provision for the annual bonus of the Management Board as well as the interest expense for pensions). This is conducive to promoting the Management Board's focus on profitability and growth.

In order to link the compensation of members of the Management Board to the long-term performance of SIMONA AG, long-term variable compensation accounts for a significant proportion of total compensation. Long-term variable compensation is granted as a target bonus with a three-year period used to determine the amount. Average ROCE (return on capital employed) serves as the key determinant of financial success during the three-year performance period; in this context, ROCE does not refer to EBIT, but rather to EBIT after income taxes, i.e. net operating profit after taxes ("NOPAT-ROCE"; Net Operating Profit After Tax). The long-term incentive programme ("LIP") of SIMONA AG for long-term compensation is aimed at sustainably linking the interests of the company's management with the interests of shareholders in increasing the value of the company over the long term. At the same time, LIP is to be seen as a competitive compensation component available to SIMONA AG's management, the focus being on establishing a connection with the long-term financial performance of the company.

As regards the respective performance periods, average Group NOPAT-ROCE is used as the key performance indicator, calculated on the basis of a three-year performance period. The first performance period encompasses the financial years 2019 to 2021, the second performance period comprises the financial years 2020 to 2022 and the third performance period covers the financial years from 2021 to 2023. Payment occurs subsequent to the adoption of the consolidated financial statements for the final year of the respective performance period.

	ROCE	LIP bonus
At an average NOPAT-ROCE of less than	3.5%	0%
At an average NOPAT-ROCE of	3.5%	25%
At an average NOPAT-ROCE of	5.0%	50%
At an average NOPAT-ROCE of	8.0%	100%
At an average NOPAT-ROCE of	11.0%	150%

The average NOPAT-ROCE is applied in each case as a value that has been interpolated on a linear basis.

The target LIP bonus under the old compensation system is €250 thousand for the Chairman of the Management Board (CEO) and €100 thousand for the other Management Board members. No more than 150 per cent of the target LIP bonus is granted for the Chairman of the Management Board (CEO) and the other members of the Management Board respectively.

The profit-based bonus is calculated as a percentage of adjusted EBT according to IFRS as stated above and amounts to 0.85 per cent for the Chairman of the Management Board (CEO) and 0.50 per cent for the other members of the Management Board according to the old compensation system for the 2021 financial year. The maximum compensation in respect of the profit-based bonus is €450 thousand for the Chairman of the Management Board (CEO) and €175 thousand for each of the other members of the Management Board.

No ESG bonus has been provided for under the old compensation system and thus no ESG bonus was granted or owed in the 2022 financial year.

There are no deviations from the compensation system, with the exception of a one-time compensation entitlement paid in 2022 with regard to Matthias Schönberg in the amount of €80 thousand due to a change in compensation components between the old and new compensation systems.

Members of the Management Board receive neither loans or share options nor other share-based compensation from the company.

No member of the Management Board has been assured benefits in the event of premature termination of the member's employment, with the exception of continued payment of compensation until the expiry of the member's contract in the event of dismissal or suspension. In the case of new employment, this compensation shall be offset accordingly.

No benefits from a third party with regard to his/her activity as a member of the Management Board were assured or granted in the reporting year.

The employment contracts of the Management Board members do not currently provide for the possibility of withholding or reclaiming any variable compensation.

Management Board compensation paid in the 2022 financial year comprises the following components:

**COMPENSATION IN THE 2022 FINANCIAL YEAR  
CURRENT MEMBERS OF THE MANAGEMENT BOARD**

€ '000 / %	Schönberg		Schmitz		Dr. Hauck		Total	
<b>Fixed compensation</b>								
Fixed salary and fringe benefits	400	32%	275	42%	300	46%	975	38%
Indirect pension plan contributions	80	6%	52	8%	40	6%	172	7%
<b>Total fixed compensation</b>	<b>480</b>	<b>38%</b>	<b>327</b>	<b>50%</b>	<b>340</b>	<b>52%</b>	<b>1,147</b>	<b>45%</b>
<b>Short-term variable compensation</b>								
Profit-based bonus 2021 financial year	433	34%	175	27%	175	27%	783	30%
<b>Long-term variable compensation</b>								
LIP period 2019-2021, disbursement 2022	351	28%	150	23%	141	22%	642	25%
<b>Total variable compensation</b>	<b>784</b>	<b>62%</b>	<b>325</b>	<b>50%</b>	<b>316</b>	<b>48%</b>	<b>1,425</b>	<b>55%</b>
<b>Total compensation</b>	<b>1,264</b>	<b>100%</b>	<b>652</b>	<b>100%</b>	<b>656</b>	<b>100%</b>	<b>2,572</b>	<b>100%</b>

The profit-based bonus for the 2021 financial year was determined on the basis of adjusted EBT according to IFRS of €51,008 thousand multiplied by 0.85 per cent for the Chairman of the Management Board (CEO) and 0.50 per cent (applicable percentages under the old compensation system) for the other members of the Management Board. In the case of the Chairman of the Management Board (CEO), the contractual upper limit of €351 thousand per annum applies. Likewise, the contractual limit of €175.5 thousand per annum applies to the other members of the Management Board.

LIP compensation was determined on the basis of the average NOPAT-ROCE achieved in respect of the performance period 2019 - 2021 in the amount of 10.45 per cent. With a NOPAT-ROCE of 8.0 per cent, the LIP bonus corresponds to 100 per cent of the target bonus and thus €250 thousand for the Chairman of the Management Board (CEO) and €100 thousand gross per annum for the other Management Board members. The interpolated target attainment thus stands at 140.8 per cent.

Management Board compensation paid in the 2021 financial year comprises the following components:

**COMPENSATION IN THE 2021 FINANCIAL YEAR  
CURRENT MEMBERS OF THE MANAGEMENT BOARD**

€ '000 / %	Schönberg		Schmitz		Dr. Hauck		Total	
<b>Non-performance-based compensation</b>								
Fixed salary and fringe benefits	400	53%	220	40%	245	55%	865	49%
Indirect pension plan contributions	80	11%	52	9%	40	9%	172	10%
<b>Total non-performance-based compensation</b>	<b>480</b>	<b>64%</b>	<b>272</b>	<b>49%</b>	<b>285</b>	<b>64%</b>	<b>1,037</b>	<b>59%</b>
<b>Performance-based compensation</b>								
Profit-based bonus 2020 financial year	275	36%	162	28%	162	34%	599	33%
<b>Long-term incentive programme</b>								
LIP period 2018-2020, Disbursement 2021	0	-	120	21%	0	-	120	7%
<b>Total performance-based compensation</b>	<b>275</b>	<b>36%</b>	<b>282</b>	<b>51%</b>	<b>162</b>	<b>36%</b>	<b>719</b>	<b>41%</b>
<b>Total compensation</b>	<b>755</b>	<b>100%</b>	<b>544</b>	<b>100%</b>	<b>447</b>	<b>100%</b>	<b>1,756</b>	<b>100%</b>

The profit-based bonus for the 2020 financial year was determined on the basis of adjusted EBT according to IFRS of €32,356 thousand multiplied by 0.85 per cent for the Chairman of the Management Board (CEO) and 0.50 per cent for the other members of the Management Board.

LIP compensation was determined based on the average NOPAT-ROCE achieved in respect of the performance period 2018 - 2020, which was 9.21 per cent (8.0 per cent NOPAT-ROCE corresponds to LIP bonus of 100 per cent), a target LIP bonus of €100 thousand gross per annum and an interpolated target attainment of 120.2 per cent.

The company's Articles of Association contain no provisions that are non-compliant with those set out in the German Stock Corporation Act as regards the conditions applicable to the appointment or removal of Management Board members as well as amendments to the company's Articles of Association. In view of this, readers are asked to refer to the relevant statutory provisions set out in Sections 84, 85, 133 and 179 of the German Stock Corporation Act (Aktiengesetz – AktG) for further details.

### Vertical comparison of compensation

The following section provides a comparative overview of annual changes in governing body compensation, earnings performance of SIMONA AG and the SIMONA Group as well as average staff remuneration over a five-year period from 2018 to 2022.

Vertical comparison	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021	Ø
<b>Supervisory Board members as at 31/12/2022</b>						
Dr. Ing. Klaus F. Erkes (since 2/6/2021)	-	-	-	-	-	-
Roland Frobél	0.0%	0.0%	0.0%	0.0%	79.1%	15.8%
Dr. Roland Reber	0.0%	0.0%	0.0%	0.0%	126.9%	25.4%
Martin Bücher	0.0%	0.0%	0.0%	0.0%	130.8%	26.2%
Andy Hohlreiter	0.0%	0.0%	0.0%	0.0%	130.8%	26.2%
Markus Stein	0.0%	0.0%	0.0%	0.0%	130.8%	26.2%
<b>Management Board members as at 31/12/2022</b>						
Matthias Schönberg (since 15/8/2019)	-	-	-	30.2%	67.4%	48.8%
Michael Schmitz (since 15/8/2019)	-	-	-	29.7%	17.7%	23.7%
Dr. Jochen Hauck (since 1/1/2019)	-	-	-	1.5%	46.8%	24.2%
<b>Earnings indicators</b>						
Profit for the year (SIMONA AG)	-38.5%	-10.3%	56.6%	52.9%	-56.0%	0.9%
EBIT (SIMONA Group)	6.8%	-11.5%	14.1%	51.5%	6.5%	13.5%
<b>Average remuneration of the workforce</b>						
Total workforce in Germany	-0.1%	0.3%	3.7%	1.7%	13.8%	3.9%
Total workforce Group	-3.6%	8.4%	2.6%	2.0%	4.5%	2.8%

Compensation payable to the Supervisory Board was increased on the basis of a resolution passed by the Annual General Meeting on 2 June 2021 as shown below under Supervisory Board Compensation. The last increase in fixed compensation payable to the Supervisory Board was executed on the basis of a resolution passed by the Annual General Meeting on 10 June 2016. If the change from 2022 vs. 2021 were evenly distributed over a five-year period, this would result in an average change in Supervisory Board compensation of 15.8 to 26.2 per cent per year.

The vertical comparison of compensation is presented as from the transitional period 2021 vs. 2020, as the current Management Board members all commenced their Management Board duties in the 2019 financial year, in part during the course of the year. For the purpose of delivering a more meaningful comparison between earnings indicators and average employee remuneration, a five-year period was used as a basis.

Average remuneration of the workforce was calculated on the basis of the respective gross annual remuneration, including any supplements, statutory sick pay, holiday pay and Christmas bonuses, excluding other bonuses.

The total workforce in Germany comprises the employees of all the German sites excluding the members of the Management Board. The total Group workforce comprises the employees of all SIMONA subsidiaries worldwide, excluding the members of the Management Board of SIMONA AG. The calculation is based on the number of employees by headcount at the end of the year.

## Restructuring of compensation for Management Board and Supervisory Board members

The Act Implementing the Second Shareholders' Rights Directive (Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie – "ARUG II") repealed Section 120(4) of the Stock Corporation Act (Aktiengesetz – AktG) and added Section 120a to the Stock Corporation Act. The new provisions applicable to exchange-listed companies under stock corporation law include the introduction of a mandatory report on the individual compensation of their management and supervisory board members. The supervisory board and the management board of the exchange-listed stock corporation are responsible for preparing the report on an annual basis. The obligations to disclose itemised management board compensation (Section 285 No. 9a sentences 5-8 and Section 314 I No. 6a sentences 5-8 HGB) together with the basic features of the compensation system in respect of exchange-listed companies, which previously applied under the provisions of the German Commercial Code (HGB), have been repealed in order to avoid redundancies. The compensation report under stock corporation law is a separate report that does not form a mandatory part of the financial statements or management report.

## Resolution on the approval of the compensation system relating to members of the Management Board

At its meeting on 14 April 2021, the Supervisory Board decided on a compensation system for the Management Board members that has been adjusted in specific areas. The Supervisory Board submitted the compensation system of the Management Board to the Annual General Meeting of 2 June 2021 for the initial resolution pursuant to Section 120a AktG. The compensation system was drawn up with the assistance of an independent consultant and complies with the requirements of Section 87a AktG, as newly introduced by the ARUG II, as well as the recommendations of the Government Commission on the German Corporate Governance Code as amended on 28 April 2022 – with the exceptions set out in SIMONA AG's Declaration of Conformity with the German Corporate Governance Code (DCGK) dated 6 April 2023.

The exceptions regarding Management Board compensation under Principle 24 and compensation of Supervisory Board members under Principle 25 relate to the following recommendations:

	GC&C recommendation	SIMONA AG explanation
P24 G.10	Taking the respective tax burden into consideration, Management Board members' variable remuneration shall be predominantly invested in company shares by the respective Management Board member or shall be granted predominantly as share-based remuneration. Granted long-term variable remuneration components shall be accessible to Management Board members only after a period of four years.	Variable compensation granted to the members of the Management Board is not share-based. SIMONA AG holds no treasury shares that could be made available for the purpose of granting such share-based compensation. Furthermore, due to the small free float and the associated low trading volume, the members of the Management Board would not be able to invest any variable compensation granted predominantly in shares of the company.
P24 G.11	The Supervisory Board shall have the possibility to account for extraordinary developments to an appropriate extent. It shall be permitted to retain or reclaim variable remuneration, if justified.	The employment contracts of the Management Board members do not currently provide for the possibility of withholding or reclaiming any variable compensation. The Supervisory Board is of the opinion that the method of linking variable compensation to the company's EBIT performance takes sufficient account of the effects of extraordinary events.
P25 G.17	The remuneration of Supervisory Board members shall take into account, in an appropriate manner, the higher time commitment of the Chair and the Deputy Chair of the Supervisory Board as well as of the Chair and the members of committees.	The Articles of Association of SIMONA include provisions outlining special compensation in respect of the role of chairperson and deputy chairperson of the Supervisory Board. Additionally, membership of Supervisory Board committees is subject to special compensation. By contrast, no separate compensation is payable in respect of the chairmanship of a committee, and such a policy is not deemed necessary at present.

The system proposed by the Supervisory Board for the compensation of the members of the Management Board was approved at the Annual General Meeting on 2 June 2021.

The following table presents an overview of the components of compensation and their relative share of compensation:

COMPENSATION COMPONENT	ASSESSMENT BASIS / PARAMETERS
<b>Fixed compensation components</b>	
Annual fixed salary	<ul style="list-style-type: none"> <li>Fixed, contractually agreed compensation paid in twelve equal monthly instalments</li> </ul>
Fringe benefits	In particular: <ul style="list-style-type: none"> <li>Company car for private use</li> <li>Accident insurance</li> </ul>
Company pension scheme (CPS)	<ul style="list-style-type: none"> <li>Retirement and surviving dependants' benefits</li> <li>Defined contribution plan</li> <li>Annual pension contribution of approx. 15-25% of annual fixed salary</li> </ul>
<b>Variable compensation components</b>	
Short-term variable compensation (profit-based bonus)	Type of plan: <ul style="list-style-type: none"><li>Performance-related bonus</li></ul>
	Limit on the amount paid out: <ul style="list-style-type: none"><li>180% of the target amount (Chairman of the Management Board – CEO)</li><li>130% of the target amount (other members of the Management Board)</li></ul>
	Performance criteria: <ul style="list-style-type: none"><li>0.45% and 0.65% of Group EBT according to IFRS, respectively</li></ul>
	Assessment period: <ul style="list-style-type: none"><li>Financial year in question</li></ul>
	Payment: <ul style="list-style-type: none"><li>In cash ten days subsequent to the adoption of the annual financial statements of the respective financial year</li></ul>
Long-term variable compensation (LIP)	Type of plan: <ul style="list-style-type: none"><li>Target bonus with three-year assessment period</li></ul>
	Limit on the amount paid out: <ul style="list-style-type: none"><li>150% of the target bonus (Chairman of the Management Board)</li><li>130% of the target bonus (other members of the Management Board)</li></ul>
	Performance criteria: <ul style="list-style-type: none"><li>Average NOPAT-ROCE during the assessment period</li></ul>
	Payment: <ul style="list-style-type: none"><li>In cash ten days subsequent to the adoption of the consolidated financial statements for the final year of the respective three-year assessment period</li></ul>
Long-term variable compensation (ESG bonus)	Type of plan: <ul style="list-style-type: none"><li>Target bonus with three-year assessment period</li></ul>
	Limit on the amount paid out: <ul style="list-style-type: none"><li>150% of the target bonus (Chairman of the Management Board)</li><li>130% of the target bonus (other members of the Management Board)</li></ul>
	Performance criteria: <ul style="list-style-type: none"><li>Attainment of ESG goals</li></ul>
	Payment: <ul style="list-style-type: none"><li>In cash ten days subsequent to the adoption of the consolidated financial statements for the final year of the respective three-year assessment period</li></ul>

The relative shares of the fixed and variable compensation components are listed below in relation to target total compensation.

	FIXED COMPENSATION (Annual fixed salary + fringe benefits + CPS)	VARIABLE COMPENSATION		
		PROFIT-BASED BONUS	LIP	ESG BONUS
Chairman of the Management Board and other members of the Management Board	approx. 40-50%	approx. 20-25%	approx. 20-30%	approx. 5-10%

The basic principles and the system relating to compensation of the members of the Management Board are presented in detail on the company website at [www.simona.de](http://www.simona.de).

### Maximum compensation

Total compensation to be granted for a financial year (sum of all compensation amounts expended for the financial year in question, including annual fixed salary, variable compensation components, fringe benefits and company pension) of the Management Board members – regardless of whether it is paid out in this financial year or at a later point in time – is capped in absolute terms ("maximum compensation").



Maximum gross compensation for the Chairman of the Management Board is €1,312,000.00. For the other members of the Management Board, maximum gross compensation is €772,000.00 each. Maximum compensation can only be calculated definitively subsequent to computation of long-term variable compensation (LIP).

### **Adjustment of compensation of the Supervisory Board and resolution on the approval of the system of compensation of the Supervisory Board**

In 2021, the Supervisory Board proposed, on the recommendation of its Personnel and Nomination Committee, to adjust compensation payable in respect of the Supervisory Board. The Personnel and Nomination Committee reviewed its recommendation with the support of external consultants, taking into account current market conditions and the objective of attracting professionally and personally qualified candidates as well as compliance with recommendations of the German Corporate Governance Code on fixed compensation.

At the proposal of the Management Board and the Supervisory Board, the compensation system for the Supervisory Board was approved by the Annual General Meeting on 2 June 2021 by amending Article 19 of the Articles of Association:

#### **Article 19 Supervisory Board Compensation**

In addition to the reimbursement of their expenses, the members of the Supervisory Board shall receive annual fixed compensation of €30,000 (in words: EUR –thirty thousand–) payable after the end of the financial year. The Chairman of the Supervisory Board shall receive an amount equivalent to two-and-a-half times the level of fixed compensation; the Deputy Chairman shall receive an amount equivalent to one-and-a-half times the level of fixed compensation. Members of the Supervisory Board who are members of a Committee shall receive further fixed compensation in respect thereof, in the amount of €10,000 (in words: EUR –ten thousand–) per Committee membership and payable after the end of the financial year. Members of the Supervisory Board or a Committee who have been appointed as members of the Supervisory Board or a Committee for only part of the financial year shall receive one-twelfth of the compensation for each month of membership or part thereof.

Details of compensation and the underlying compensation system for the Supervisory Board:

- Contribution of compensation to the promotion of the business strategy and the long-term performance of the company (Sections 113(3) sentence 3, 87a(1) sentence 2 no. 2 AktG)  
Compensation in respect of the Supervisory Board promotes the business strategy and long-term performance of the Company in that the nature of compensation is tailored to market needs, thereby making it possible to gain highly qualified individuals as members of the Supervisory Board.
- Compensation components (Sections 113(3) sentence 3, 87a(1) sentence 2 no. 3 AktG)  
Supervisory Board compensation is composed solely of fixed components of compensation. Following approval by the Annual General Meeting on 2 June 2021, the Articles of Association provide for fixed annual compensation of €30,000 for each member; the Deputy Chairman shall receive an additional €15,000 and the Chairman an additional €45,000. Membership of committees is rewarded with an additional €10,000 per year. In those cases in which compensation is subject to value added tax, the tax amount shall be reimbursed by the Company if it can be invoiced separately by the Supervisory Board member and the latter makes use of this method. Compensation also includes the assumption of costs relating to a liability insurance policy taken out by the Company for the members of the Supervisory Board. The policy shall include appropriate insurance coverage.
- Procedures for establishing, implementing and reviewing the compensation system (Sections 113(3) sentence 3, 87a(1) sentence 2 no. 10 AktG)  
Compensation in respect of the Supervisory Board shall be determined by the General Meeting of Shareholders in the Articles of Association or by resolution upon proposal by the Management Board and the Supervisory Board. At present, compensation in respect of the Supervisory Board is governed by the Annual General Meeting resolution of 2 June 2021 and additionally in the Articles of Association.

### **Resolution on the clarification in respect of the application of the new system regarding Supervisory Board compensation for the 2021 financial year.**

The Annual General Meeting had resolved on 2 June 2021 to adjust the Supervisory Board compensation and approved a revised system in respect of compensation payable to the Supervisory Board. This Annual General Meeting resolution did not contain information pertaining to the fact that the adjusted system for Supervisory Board compensation should already apply to the current 2021 financial year, as was the intention of the Management Board and the Supervisory Board. Therefore, a clarifying resolution



was to be passed by the General Meeting.

At the proposal of the Management Board and the Supervisory Board, the Annual General Meeting on 10 June 2022 passed a resolution clarifying that adjusted Supervisory Board compensation is to be applied as early as the 2021 financial year. The compensation system for the Supervisory Board approved by the Annual General Meeting on 2 June 2021 on the basis of the resolution proposal published in the Federal Gazette on 22 April 2021 remains unaffected.

### Supervisory Board compensation

Compensation in respect of the Supervisory Board of SIMONA AG for the 2021 financial year is composed of the following elements and was paid at the beginning of January 2022:

Supervisory Board compensation	Function	Supervisory Board duties	Audit Committee	Personnel/ Nomination Committee	Total
Dr. Rolf Goessler	CEO (until 2 June 2021)	37,500	5,000	5,000	47,500
Dr. Ing. Klaus F. Erkes	CEO (since 2 June 2021)	43,750	5,833	5,833	55,417
Roland Frobels	Deputy Chairman (until 02. June 2021)	40,000	10,000	10,000	60,000
Dr. Roland Reber	Deputy Chairman (since 02. June 2021)	41,250	10,000	10,000	61,250
Martin Bücher	Member of the Supervisory Board	30,000	0	0	30,000
Andy Hohlreiter	Employee Representative	30,000	0	0	30,000
Markus Stein	Employee Representative	30,000	0	0	30,000
<b>Total</b>		<b>252,500</b>	<b>30,833</b>	<b>30,833</b>	<b>314,167</b>

Compensation in respect of the Supervisory Board of SIMONA AG for the 2020 financial year under the previous compensation system is composed of the following elements and was paid at the beginning of January 2021:

Supervisory Board compensation	Function	Supervisory Board duties	Audit Committee	Personnel/ Nomination Committee	Total
Dr. Rolf Goessler	CEO	26,000	7,000	7,000	40,000
Roland Frobels	Deputy Chairman	19,500	7,000	7,000	33,500
Dr. Roland Reber	Member of the Supervisory Board	13,000	7,000	7,000	27,000
Martin Bücher	Member of the Supervisory Board	13,000	0	0	13,000
Andy Hohlreiter	Employee Representative	13,000	0	0	13,000
Markus Stein	Employee Representative	13,000	0	0	13,000
<b>Gesamt</b>		<b>97,500</b>	<b>21,000</b>	<b>21,000</b>	<b>139,500</b>

Value-added tax, ancillary costs and the contribution to liability insurance are not included in the above amounts. No attendance fees are granted.

In addition to fixed compensation, the General Meeting of Shareholders shall be authorised to pass a resolution on a variable component of compensation, payment of which shall be dependent on whether specific corporate performance indicators have been met or exceeded. At the Annual General Meeting of Shareholders on 10 June 2022, as in the preceding year, no such resolution for variable compensation components was passed for the 2022 financial year.

Members of the Supervisory Board received neither loans or share options nor other share-based compensation from the company.

Kirn, 17 April 2023

### SIMONA Aktiengesellschaft

The Management Board

Matthias Schönberg

Dr. Jochen Hauck

Michael Schmitz

For the Supervisory Board

Dr. Ing., Dipl.-Wirt. Ing. Klaus F. Erkes

## **Reproduction of the independent auditor's report on the audit of the compensation report pursuant to Section 162(3) AktG**

To SIMONA Aktiengesellschaft, Kirn

### **Audit opinion**

We have audited the formal aspects of the compensation report of SIMONA Aktiengesellschaft, Kirn, for the financial year from 1 January to 31 December 2022 to determine whether the disclosures required under the provisions set out in Section 162(1) and (2) AktG (Aktengesetz – Stock Corporation Act) have been made in the compensation report. In accordance with Section 162(3) AktG, we have not audited the content (i.e. a substantive audit) of the compensation report.

In our opinion, the accompanying compensation report complies in all material respects with the disclosures required under the provisions set out in Section 162(1) and (2) AktG. Our opinion does not cover the content of the compensation report.

### **Basis for our opinion**

We conducted our audit of the compensation report in accordance with Section 162(3) AktG and the IDW Auditing Standard "Audit of the Compensation Report in Accordance with Section 162(3) AktG (IDW PS 870)". Our responsibility under that provision and standard is further described in the "Auditor's responsibilities" section of our report. As an audit firm, we applied the standards for the quality assurance system set forth in IDW Quality Control Standard: "Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis" (Requirements for Quality Control in the Practice of Public Auditors) (IDW QS 1). We complied with the professional duties pursuant to the Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer (Professional Code for German Public Auditors and German Chartered Auditors), including the requirements in respect of independence.

### **Responsibility of the Management Board and the Supervisory Board**

The Management Board and the Supervisory Board are responsible for the preparation of the compensation report, including the related disclosures, that complies with the requirements of Section 162 AktG. Furthermore, they are responsible for such internal controls as they determine are necessary to enable the preparation of the compensation report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities**

Our objective is to obtain reasonable assurance about whether the disclosures pursuant to Section 162(1) and (2) AktG have been made in all material respects in the compensation report and to express an opinion thereon in an audit report. We planned and performed our audit so as to obtain reasonable assurance about whether the compensation report is formally complete by comparing the disclosures made in the compensation report with the disclosures required by Section 162(1) and (2) AktG. In accordance with Section 162(3) AktG, we have not audited the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the compensation report.

Frankfurt am Main, 17 April 2023

**PricewaterhouseCoopers GmbH**  
**Wirtschaftsprüfungsgesellschaft**

Guido Tamm  
German Public Auditor

ppa. Richard Gudd  
German Public Auditor