

Remuneration System for the Management Board of GERRY WEBER International AG:

1. General

The Supervisory Board has determined the following system for the remuneration of the Management Board of GERRY WEBER International AG („**Company**“) in accordance with statutory law and the recommendations set forth by the German Corporate Governance Code (in the current version dated December 16, 2019). This remuneration system is designed to further align the remuneration of the Management Board with the business strategy of GERRY WEBER International AG and its long-term goals.

At the same time, the remuneration system shall take into account the challenging tasks and responsibility the Management Board faces in order to ensure the Company's competitiveness and stable and sustainable growth in the future. Therefore, the system shall – in consideration of the Company's financially sustainable economic activities – allow for a competitive remuneration aiming to promote GERRY WEBER International AG in its competition for highly qualified executives.

However, the remuneration system needs to be partially suspended in the light of financial aid by the Federal Government in the form of so-called Covid-19 interim aid (so-called *Überbrückungshilfe III NRW* and/or *Überbrückungshilfe III+ NRW*) for, inter alia, small and mid-sized companies suffering loss of sales and revenues due to the Covid-19 pandemic, which the Company has applied for and partially been granted. According to a term sheet (*Term Sheet Überbrückungshilfe III Plus – Prolongation of Überbrückungshilfe III in the second half-year of 2021 – „Term Sheet“*), issued by the Federal Ministry of Finance and the Federal Ministry of Economics on June 9 2021, companies receiving Covid-19 financial aid may not grant bonus payments, other variable or comparable remuneration components and special payments in form of shares, gratuities or other remuneration in addition to the fixed salary or other remuneration components which are subject to the Company's free discretion as well as severance payments not required by law.

Beyond that, the remuneration system is to be directly applied and, as soon as and as far as the legal requirements under the term sheet do not apply to the Company anymore, to be applied comprehensively regardless of the legal reason.

2. Contribution to promote the Company's business strategy and long-term development

The Company's business strategy aims to expand its own market share within the German fashion industry and to transform the Company into a leading and sustainable fashion company in the long term.

The Company's strategic focus lies, in particular, on growth and generating a broad and loyal customer base. GERRY WEBER International AG and its subsidiaries (together „**GERRY WEBER Group**“) align their activities with a long-term and sustainable corporate success and take holistic corporate responsibility.

The remuneration system is built on the basis of this long-term business strategy. In accordance with the Company's long-term goals, the Supervisory Board takes into account the following guidelines in the course of designing this remuneration system and determining the structure and amount of the remuneration for each individual Management Board Member:

- The orientation of the remuneration towards performance indicators based on ambitious internal and external objectives ensure the focus on a growth-generating approach of the Management Board Members and thereby contributes to a sustainable promotion of the Company’s business strategy.
- The assessment of the multi-year variable remuneration based on long-term and sustainable criteria offers an incentive to long-term and sustainable corporate actions and prevention of inappropriate risk and thereby contributes to aligning the interests of management, shareholders and other stakeholders.
- The remuneration for the Management Board factors in the remuneration structure within the Company in general. Therefore, the remuneration for the Management Board is in particular compared with the remuneration of GERRY WEBER executives and proportionality is ensured.

3. Procedure for determination, implementation and review of the remuneration system

The Supervisory Board is statutorily responsible for the determination, implementation and review of the remuneration system for the Management Board. The Supervisory Board has delegated the preparation of the respective Supervisory Board decisions to the Personnel Committee (*Personalausschuss*). If needed, the Supervisory Board and/or the Personnel Committee may consult with external advisors. In this event, the Supervisory Board shall consider the independence of external remuneration advisors.

In the last supervisory board meetings, most recently on 24 June 2021 and 6 July 2021, the Supervisory Board dealt, once more due to the new situation triggered by the term sheet, with the remuneration for the Management Board and with the proposal by the Personnel Committee for the remuneration system. On the basis of consultations within the Supervisory Board, the proposal for the remuneration system was further developed by the Personnel Committee, in particular including a new long-term variable remuneration component, the so-called Long Term Incentive („LTI“) including a so-called Share Ownership Programms („SOP“). The Supervisory Board consulted external advisors. The Supervisory Board ensured the independence of the advisor.

The proposals made by the Personnel Committee were subject to discussions in the Supervisory Board. Based on these results, the Supervisory Board resolved this remuneration system for the Management Board in its meeting on 6 July 2021. Compared to the previous remuneration practice, this remuneration system particularly introduces an LTI as a future-oriented long-term variable remuneration component as well as non-financial performance criteria including the implementation of a SOP. The remuneration system is subject to approval vote by the general meeting in the event of material changes, however, at least every four years.

For the first time, the annual general meeting in the year 2021 will resolve upon the remuneration system. In the event that the annual general meeting in the year 2021 does not approve of the remuneration system, the Supervisory Board will submit a revised remuneration system to the subsequent ordinary general meeting.

In the course of the negotiations of the (new) management service contracts in early summer 2021, the implementation of the LTI has already been reflected. The current service contracts therefore comply to a large extent with this remuneration system. Final adjustments will be implemented in a timely manner. With respect to future appointments and re-appointments, the Personnel Committee will provide the Supervisory Board with recommendations regarding the determination of the concrete remuneration of the respective Management Board Member and the Supervisory Board will decide upon the concrete remuneration on basis of this recommendation. Thereby, statutory requirements of the German Stock Corporation Act need to be complied with. Within this framework, the Supervisory Board determines the further details to be followed in determining the concrete remuneration of Management Board members.

The Supervisory Board will review the remuneration granted to Management Board members and the remuneration system for the Management Board on a yearly basis. Thereby, it will particularly review the appropriateness of the total compensation and conduct a benchmarking. The Personnel Committee will submit a proposal to the Supervisory Board on a yearly basis and timely before the end of the fiscal year concerning the confirmation or adjustment of performance criteria for the variable remuneration for the subsequent fiscal year and the Supervisory Board will decide upon before the end of the respective fiscal year.

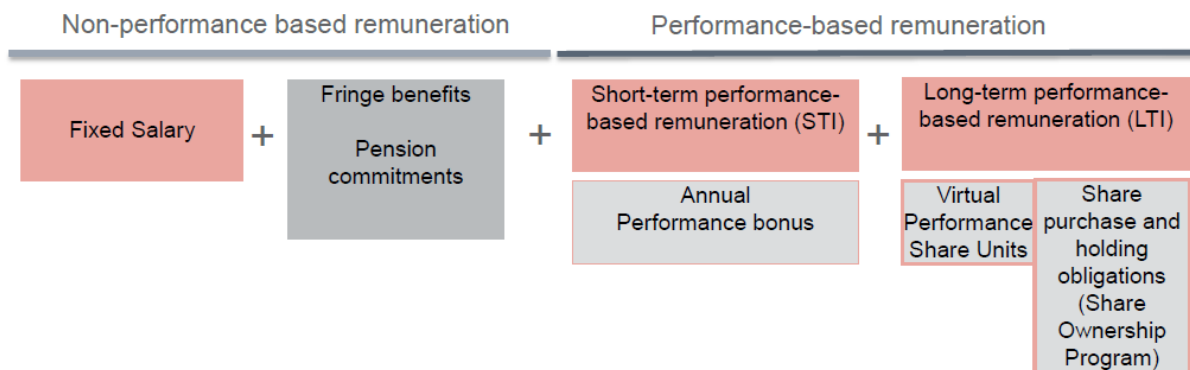
Since statutory law assigns the responsibility for determination, implementation and review of the remuneration system for the Management Board to the Supervisory Board, potential conflicts of interests are to a great extent excluded. Conflicts of interests of individual members of the Supervisory Board with respect to decisions of the Supervisory Board upon issues related to the remuneration of Management Board members have not yet occurred in the past. Potential conflicts of interests in the future will be dealt with according to the usual rules for the Supervisory Board of GERRY WEBER International AG. Depending on the type of conflict of interest, the respective member of the Supervisory Board will refrain from voting and, if applicable, refrain from participating in the discussion on the agenda item. In the event of a permanent and irresolvable conflict of interest, the respective member of the Supervisory Board shall resign from its board position.

4. Explanation with respect to the consideration of remuneration and employment conditions

In determining this remuneration system, in particular the remuneration for GERRY WEBER executives (this includes the second management level of the GERRY WEBER Group (Executive Vice Presidents and Directors) below the Management Board) were taken into account in order to ensure the appropriateness within the GERRY WEBER Group. Thereby, the group-wide employment conditions of executives were factored in. The relation between the range for the fixed salary of the executives and the Management Board remuneration as well as the relation between the range of the yearly bonus at 100% target achievement of the executives and the Management Board remuneration have been considered.

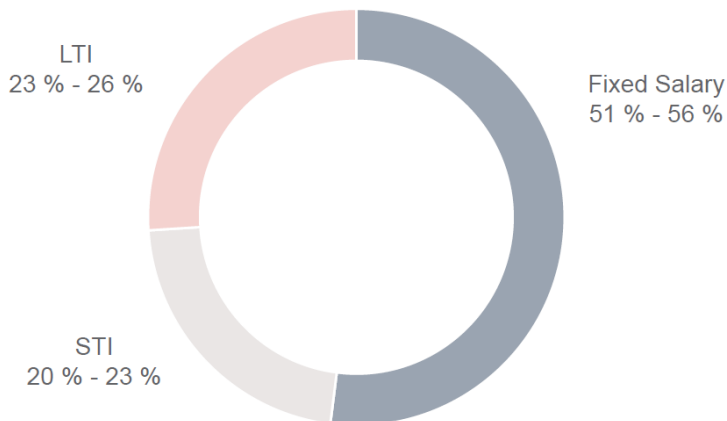
5. Remuneration components for the Management Board

The remuneration for the Management Board comprises performance based components and non-performance based components. The non-performance based remuneration comprise the fixed salary („**Fixed Salary**“), including fringe benefits and pension commitments. The performance based remuneration comprises short-term variable components, the Short Term Incentive („**STI**“), and long-term variable components, LTI.



5.1 Proportion of remuneration components with respect to the total target remuneration

The proportion of the Fixed Salary, the STI and the LTI with respect to the total target remuneration (without fringe benefits and pension commitments) have to lie within the following range, whereby STI and LTI are set at their annual target amount. The proportion of the remuneration components is based on the target remuneration for one year.



5.2 Target and Maximum Total Remuneration

The target remuneration is the amount granted to the Management Board member for a fiscal year in the event that the target achievement of all performance based components amounts to 100% („**Target Total Remuneration**“). The remuneration system allows for a Target Total Remuneration for both Management Board members together of EUR 1.525.000 for each fiscal year (without fringe benefits and pension commitments and subject to a potential future enlargement of the Management Board which may allow to increase the Target Total Remuneration). The stated amount shall form the outer framework for the Supervisory Board in determining the respective Target Total Remuneration for each individual Management Board member in accordance with this remuneration system.

The maximum total remuneration is the amount which may be paid to the Management Board members for a fiscal year and comprises all remuneration components and all payments including those by subsidiaries or by third parties in connection with the Management Board Member activity („**Maximum Total Remuneration**“). The Maximum Total Remuneration for both Management Board members amounts to EUR 3.138.000 for each fiscal year (without fringe benefits, without pension commitments and without potential special bonuses).

The maximum amount of fringe benefits is specified in Sec.5.3 (b) as percentage of the Maximum Total Remuneration. The maximum amount of pension commitments is specified in Sec.5.3 (c) as percentage of the Fixed Salary and in this respect depending on the range for the Fixed Salary.

Through determination of proportions of remuneration components with respect to the Total Remuneration and of caps with respect to STI and LTI, it is ensured that the proportion of the LTI outweighs the proportion of the STI, both on the basis of a 100 % target achievement of the respective performance criteria and on the basis of the maximum target achievement. Thereby, the Supervisory Board aligns the remuneration for the Management Board with the Company's long-term and sustainable development.

This remuneration system aims to provide GERRY WEBER International AG with the necessary flexibility to be able to provide a competitive remuneration in the future. Thereby, the remuneration system promotes GERRY WEBER International AG in its competition for highly qualified executives.

The Supervisory Board will make use of this flexibility within the scope as it deems appropriate in the light of the relevant circumstances.

5.3 Non-performance based remuneration

(a) Fixed Salary

The Fixed Salary is determined as fixed annual amount for each Management Board member and paid monthly in twelve equal rates. The Fixed Salary ensures a stable and predictable income for the Management Board members. It is paid in euros.

(b) Fringe benefits

The Fixed Salary is accompanied by contractually agreed fringe benefits. Fringe benefits include essentially common additional benefits such as allowance for insurance, non-cash benefits like the private use of a company car, additional benefits in case of change of residence and compensation for financial losses resulting from the acceptance of the position as Management Board member.

These fringe benefits are capped at 5% of the Maximum Total Remuneration for each respective Management Board member (relating to the relevant amount in euros in the course of determining the concrete remuneration).

The Supervisory Board is entitled to determine, in its discretion, a special bonus for one or several Management Board members in the event of extraordinary achievements and provided that it aligns with the Company's interests. However, the Management Board members have no legal claim for such special bonus.

(c) Pension commitments

In addition to the fringe benefits, additional benefits for pension schemes may be agreed with the Management Board members. In particular, this may include the payment of an insurance premium of up to 7,5 % of the relevant Fixed Salary. Management Board members are also entitled to use parts of their Fixed Salary for an insurance by the way of a deferred compensation.

5.4 Performance based remuneration

(a) Short-term performance based remuneration (STI)

The short-term performance based remuneration component (STI) is granted on a yearly basis.

The concrete payment amount of the STI is determined by certain performance criteria, so-called Key Performance Indicators („KPIs“).

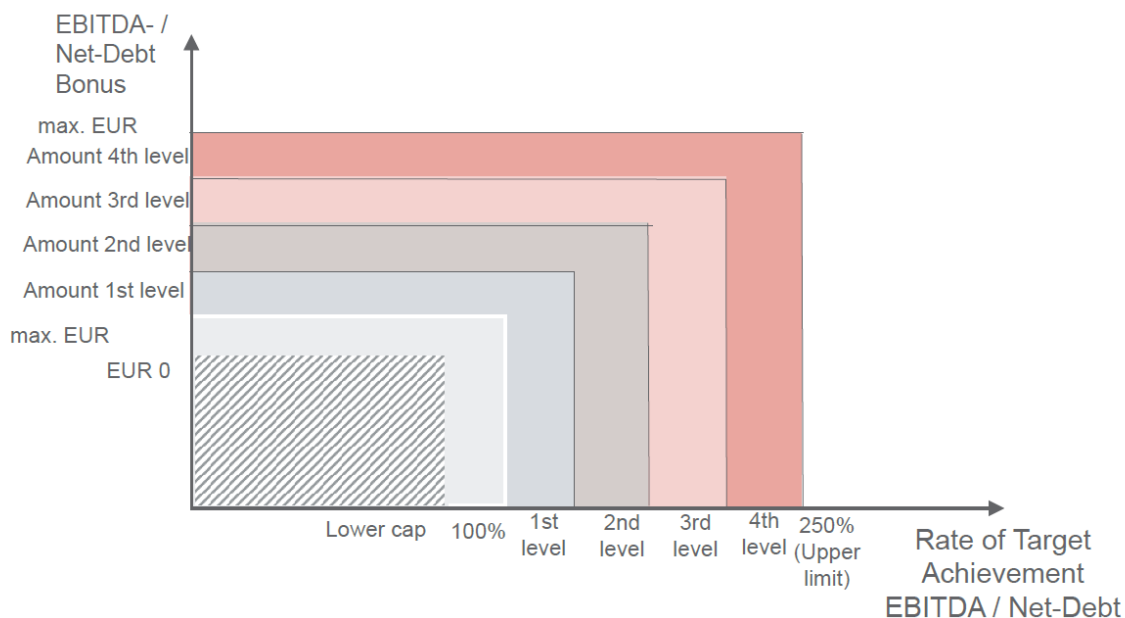
Financial key data for the operative business of GERRY WEBER International AG are used as KPIs. Therefore, the actual EBITDA as determined in the audited consolidated financial statement as opposed to the budgeted EBITDA and the actual Net-Debt as opposed to the budgeted Net-Debt shall be decisive.

A target amount for the STI will be determined in the service contract of the Management Board member which will be paid out in case the sum of the weighted target achievement for the determined KPIs equals 100% (Total Target Achievement). The annual maximum payment amount of the STI is capped at 250% of the target amount for each Management Board member.

The Supervisory Board may at any time define other key data which are determined in the audited consolidated financial statement of GERRY WEBER International AG as KPIs, as far as it is convinced that other key data is a more appropriate basis for the assessment of GERRY WEBER International AG.

The concrete KPI reference values have to be determined before the beginning of the respective fiscal year for which the STI will be granted. For each KPI a numerical target has to be determined which equals a target achievement of 100%. These targets will be determined based on the internal budget for the respective fiscal year. The planning of the budget itself reflects the long-term and strategic plans. Therefore, the STI offers incentives to fulfill the respective interim goals of each fiscal year and at the same time the long-term strategic plans.

Based on the target for a 100% target achievement, concrete levels of target achievement will be determined including a lower limit and a maximum limit. In the event the target achievement of the respective KPI exceeds the maximum limit, the amount determined for the maximum limit will be paid; in the event the target achievement of the respective KPI is below the lower limit, the target achievement for this KPI will be set at zero. The assessment period is the respective fiscal year for which the STI shall be granted.



The Supervisory Board determines the target achievement after the expiration of the respective fiscal year based on the numbers of the audited consolidated financial statement. The payment of the STI for the previous fiscal year shall be due on 30 April of the subsequent fiscal year at the latest.

The Supervisory Board may, in the event of an acquisition or sale of companies, parts of companies or holdings of companies or in the event of mergers with other companies, provided that such transaction is subject to the approval by the Supervisory Board, adjust the targets for each KPI in a way that special effects resulting from such transaction are eliminated.

The Supervisory Board may determine an additional voluntary special bonus due to extraordinary achievements of the Management Board member and respective extraordinary economic success of the Company. This special bonus, if it is resolved upon, will be granted in addition to all other remuneration. The grant of a special bonus may not result in an excess of the Maximum Total Remuneration for the respective Management Board member.

(b) Long-term performance based remuneration (LTI)

The long-term performance based remuneration (LTI) is granted in form of a virtual share program in annual tranches. The LTI is accompanied by a commitment to purchase and hold shares of the Company. The LTI reflects the long-term strategy of GERRY WEBER International AG and thereby provides consistent incentives for the achievement of key goals of the long-term strategic plan. At the same time, the LTI ties the Management Board members to the Company.

Virtual Performance Share Units (PSUs)

The LTI is designed as a virtual share program with a performance period of four years for the annual tranches. Management Board members are granted a certain number of virtual Performance Share Units („**PSUs**“) for each tranche. The amount and value are subject to adjustments in the course of the respective performance period.

The initial number of PSUs of each tranche („**Initial Number of PSUs**“) is calculated based on the individual initial amount divided by the share price and rounded up or down to full PSUs in accordance with commercial standards. The volume weighted and commercially rounded (two decimals, up or down) average price of the Company's share in XETRA trading of the Frankfurt stock exchange (or a subsequent trading system) over the last 30 trading days before the end of the year which precedes the first year of the performance period (the „**Initial Share Price**“) is decisive. In the event that no share prices are determined during a period of more than 15 trading days, the share price shall be determined by an independent valuation report. Therefore, the Initial Number of PSUs may vary from one year to another.

The final number of PSUs („**Final Number of PSUs**“) is calculated by multiplying the Initial Number of PSUs with the total rate of target achievement (as defined below).

The „**Total Rate of Target Achievement**“ is the mean of (i) the achieved rate of target achievement with respect to the financial performance criteria („**Rate of Target Achievement Financial Performance Criteria**“) and (ii) the achieved rate of target achievement with respect to the non-financial performance criteria („**Rate of Target Achievement Non-financial Performance Criteria**“).

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The parameters of the financial and non-financial performance criteria of each tranche are determined by the Supervisory Board in its dutiful discretion before the beginning of the first fiscal year of the respective tranche.

The **financial performance criteria** are oriented towards financial key performance indicators, in particular the market capitalisation of the Company at the end of the performance period of the respective tranche during a period of 30 trading days and the sales revenue at the end of the performance period of the respective tranche resulting from online retailing, which is a key indicator for the long-term growth of the fashion industry. The Supervisory Board may, with respect to the LTI, instead of one of the aforementioned financial performance criteria, determine other financial key performance indicators which are stated in the audited consolidated financial statement of GERRY WEBER insofar as it is convinced that the other financial key performance indicators are more appropriate to reflect the long-term development and the sustainable growth of GERRY WEBER International AG. This needs to be determined before the beginning of the respective fiscal year for which the respective tranche of the LTI shall be granted. The individual financial performance criteria may be weighted differently within all goals. A numerical target is determined for each financial performance criteria which equals a target achievement of 100 %. This shall be a cumulative value

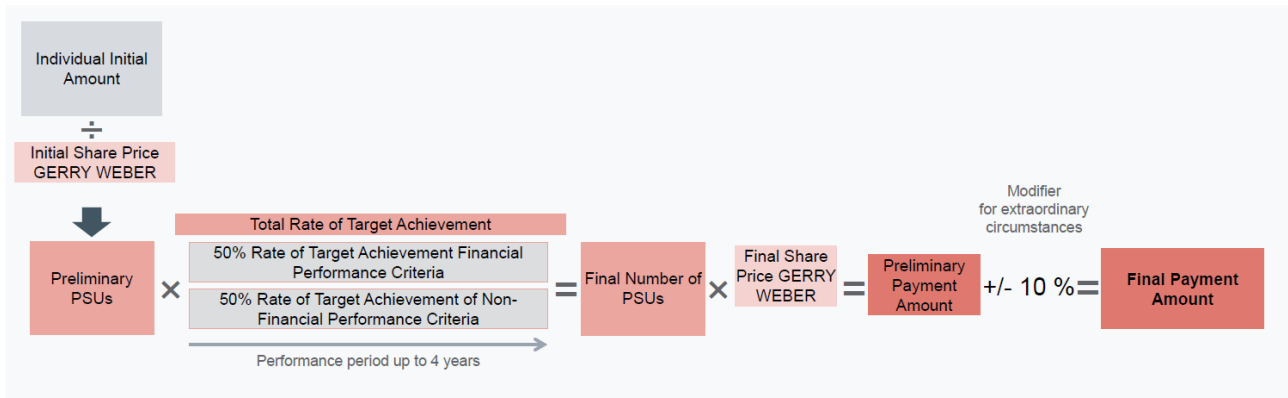
derived from the long-term strategy of GERRY WEBER International AG for the performance period of the respective tranche. If the target achievement is below a certain previously determined value, the target achievement will be set at zero; if the target achievement is above the previously determined maximum value, the factor will maximally be 400 %.

The **non-financial performance criteria** comprise strategic goals, which are oriented towards a long-term and sustainable development of the Company. The non-financial performance criteria enhance a sustainable growth in accordance with social and environmental aspects (so-called ESG criteria) including the consideration of employees, and thereby further promote the importance of non-financial key performance indicators. This incentivation of the Management Board members towards sustainable, long-term and future-oriented action leads to an alignment of interests with the shareholders. With respect to the first tranche of the LTI, employee satisfaction and sustainability have been defined as concrete non-financial performance criteria. The Supervisory Board may replace the aforementioned non-financial performance criteria for the LTI with other non-financial strategic goals, as far as it is convinced that they are more appropriate to reflect the long-term development and the sustainable growth of GERRY WEBER International AG. This needs to be determined before the beginning of the respective fiscal year for which the respective tranche of the LTI shall be granted. The individual non-financial performance criteria may be weighted differently within all goals. A numerical target is determined for each non-financial performance criteria which equals a target achievement of 100 %. This shall be a cumulative value derived from the long-term strategy of GERRY WEBER International AG for the performance period of the respective tranche. If the target achievement is below a certain previously determined value, the target achievement will be set at zero; if the target achievement is above the previously determined maximum value, the factor will maximally be 400 %.

The concrete LTI conditions for each tranche, including the numerical targets with respect to the performance criteria, are agreed between the Supervisory Board and the Management Board members annually, based on the current multi-year plan.

The Final Number of PSUs the respective Management Board member is entitled to at the end of the performance period is to be multiplied by the relevant share price at the end of the performance period of the respective tranche. The relevant share price at the end of the performance period is based on the volume weighted and commercially rounded (up or down, two decimals) average price of the Company's share in XETRA trading of the Frankfurt stock exchange (or a subsequent trading system) over the last 30 trading days before the end of the last year of the respective tranche („**Final Share Price**“). In the event that no share prices are determined during a period of more than 15 trading days, the share price shall be determined by an independent valuation report.

The resulting amount („**Preliminary Payment Amount**“) may be adjusted to the lower or higher by the Supervisory Board, at its dutiful discretion, in order to take into account unexpected developments. In particular, the Supervisory Board is entitled to limit or adjust the LTI conditions in case of extraordinary developments, if and to the extent this is necessary to maintain the fair and just character of the LTI, the adjustment leads to such results which would have been reflected by the Supervisory Board in the event that the events and developments would have been known at the time of the determination of the original LTI conditions, and the appropriateness of the total remuneration is ensured. The scope of this possibility for adjustment is limited to +/- 10 % of the Preliminary Payment Amount. The amount of the LTI payment for each Management Board member in each fiscal year is capped at 400% of the individual issuance amount. The amount calculated in consideration of the preceding adjustments („**Final Payment Amount**“) will be paid within 14 days after determination by the Supervisory Board.



Share purchasing obligation

In addition, the Supervisory Board may stipulate that the Management Board members are obliged, one-time or several times, to purchase and hold for a certain period of time shares of GERRY WEBER International AG. Such share purchase obligation lapses in the event that the Company files for an application to start insolvency proceedings or other proceedings pursuant to the German Corporate Stabilisation and Restructuring Act (StaRuG). Currently, it is foreseen in the SOP that the Management Board members are obliged to re-invest parts of their money earned in the course of their activities as Management Board members in shares of GERRY WEBER International AG and, as an additional personal investment, subject to certain conditions, to invest a certain amount of their private money in shares of GERRY WEBER International AG.

5.5 Beginning and termination of the service contract during the year

In the event of the service contract beginning or terminating during the financial year, the fixed salary and the STI bonus for the respective year shall be granted on a pro rata basis based on the actual EBITDA and the Net Debt for the whole fiscal year. With respect to the LTI, the payment relating to the fiscal year shall be granted on a pro rata basis based on the actual financial and non-financial performance criteria of the whole fiscal year. Tranches of the LTI which have not yet been paid at the time of the termination of the service contract will be paid according to the settlement date for the respective tranche; the performance criteria and term of the respective tranche remain unaffected.

6. Special contractual provisions

6.1 Malus- und Clawback-provisions

The Supervisory Board is contractually entitled, wholly or partially, to retain STI and LTI payments or, in case the payment has already been made, to claim back the variable remuneration under the STI and LTI, in the event the Member of the Management Board has severely breached its legal duties or the Company's code of conduct in the course of the respective period. The Supervisory Board shall decide upon the assertion of repayment claims at its dutiful discretion. Evidence of damages resulting from the breach of the Management Board member's duty is not required.

Payment may be clawed back within three years after the end of the performance period of the respective LTI and even if the term of office or the service contract of the Management Board member has already been terminated.

The repayment claim is capped at 50 % of the granted net payments for the respective performance period. Other claims for damages against the Management Board member remain unaffected.

6.2 Deduction of remuneration for positions within and outside the group

In the event the Management Board member takes a Supervisory Board position in an affiliate of GERRY WEBER International AG, the remuneration received for this position shall be off-set against the remuneration of the Management Board member.

The acceptance of Supervisory Board positions in companies outside the group is subject to the approval of the Company's Supervisory Board. The Supervisory Board will determine in each individual case, whether and to which extent the remuneration for the external position will be off-set against the remuneration of the Management Board member.

As far as the remuneration for the Management Board member received for Supervisory Board positions is to be factored, the Fixed Salary will be deducted accordingly.

6.3 Adjustment of compensation

In the course of the annual review of the remuneration for the Management Board, the Supervisory Board may reduce the Total Remuneration or single remuneration components, whereby undercutting the contractually agreed fixed and minimum amounts is only permissible to the extent foreseen by law, namely pursuant to Section 87 para. 2 AktG.

Therefore, the Supervisory Board may temporarily deviate from the remuneration system, if this is necessary in the interest of the long-term prosperity of the Company or if the granting of the total remuneration would be unreasonable in the light of the changed situation of the Company. This includes, for instance, the adjustment of the remuneration system in case of a materially changed business strategy to ensure an appropriate incentive or a flexible reaction to a significant economic crisis. Such extraordinary circumstances, which require a deviation from the remuneration system in the Company's best interest, and the respective deviations are subject to determination by the Supervisory Board. Given the extraordinary circumstances, the Supervisory Board may deviate from the procedure, the rules relating to the remuneration structure and amount and the single remuneration components. Furthermore, the Supervisory Board may, at its dutiful discretion, temporarily reimburse expenses for extraordinary measures (e.g. safety measures) related to the Management Board position in the event of a significant change of needs. The Supervisory Board is also entitled to grant special payments to new Management Board members to compensate them for lost remuneration or bonus relating to their previous service contract or for costs related to the change of residence.

6.4 Post-contractual non-compete

No post-contractual non-compete provision is currently concluded in the service contracts. The Supervisory Board may conclude such provision in future service contracts either generally or in individual cases. In this case, the Supervisory Board shall ensure that a possible severance payment shall be off-set against the compensation for the non-competition covenant.

7. Remuneration-related agreements/transactions

7.1 Service contracts

The basic provisions governing the remuneration of the Management Board is contractually agreed with the Management Board members in their service contracts. The term of the service contracts equals, subject to mutual amendment, the term of office and is automatically prolonged in the event of a re-appointment.

7.2 STI conditions, LTI conditions

For the STI and the annual tranche of the LTI, in particular with respect to the concrete performance criteria and the corresponding numerical targets, separate agreements will be concluded with the Management Board members. These agreements constitute the entitlement and granting of the respective STI and the respective tranche of the LTI, which will be paid out pursuant to the conditions set forth in these separate agreements, if applicable, considering additional provisions set forth in the service contracts.

7.3 Termination and other premature endings of the service contracts

There shall be no right for an ordinary termination of the service contracts.

The Supervisory Board may terminate the service contract for good cause (*wichtiger Grund*). In particular, a severe breach of duties pursuant to the provisions of the service contract, the rules of procedure for the Management Board or the Company's Articles of Association and other breaches of duty, which make it unbearable for the Company to continue the service contract, shall constitute good cause.

In the event of a premature termination of the term of office, in particular by revocation of appointment, resignation by the Management Board member or transformation of the Company, the service contract shall end without the requirement of contractual termination and according to Section 622 of the German Civil Code (*BGB*) beginning at the time of the receipt of the notice or at the respective other effective date.

In the event of a reduction of remuneration pursuant to Section 87 para. 4 sentence 4 AktG, the Management Board Member may terminate the service contract with a notice period of six weeks.

In the event the Management Board member becomes permanently incapacitated for work during the term of the service contract, the service contract shall terminate three months after the end of the month in which the permanent incapacity has been determined, unless the regular expiry date is sooner. The permanent incapacity for work shall, in case of doubt, be determined by report by a medical expert which shall be chosen by mutual agreement between the Chairman of the Supervisory Board and the respective Management Board member. Permanent incapacity for work is deemed to be determined in the event that the Management Board member has been incapacitated for work for longer than twelve months.

There is currently no termination right of the Management Board member in case of a change of control. However, the Supervisory Board may conclude such provision in future service contracts.

7.4 Severance payments

In the event of a premature termination of the service contract by the Company (except for termination for good cause), the Company shall grant a severance payment.

Any payments due to premature termination of the Management Board activity shall not exceed twice the annual fixed remuneration. At the same time, payments shall cumulatively not exceed the remuneration for more than the remaining term of the employment contract.

If post-contractual non-compete clauses apply, the severance payments shall be taken into account in the calculation of any compensation payments.

8. Pension scheme and comparable agreements

The Supervisory Board may conclude appropriate agreements on pension scheme and retirement provisions.