

Remuneration Report

Remuneration of Management Board Members

The structure of the remuneration for Management Board members is aligned to sustained corporate development. The monetary remuneration includes fixed and variable components based on the Hönle Group's performance.

The criteria used in evaluating the suitability of remuneration are as follows: The tasks of the respective Management Board member, personal performance, the economic situation, earnings, future outlook of the Company, standard practice in the industry and the Company's general remuneration structure. The Supervisory Board regularly reviews the structure and amount of the remuneration for Management Board members.

In some cases, pension commitments have been made to Management Board members. Within the context of the conversion of pension commitments for Management Board members, annual pension modules have been acquired starting from 1 January 2012. The amount of a pension module acquired in a given financial year is derived from the pension expenses that are converted into pension instalments using age-dependent conversion factors. The pension expenses correspond to a fixed percentage rate of the annual fixed remuneration (excluding profit sharing bonus). The designated benefit types are: old age pension (from the age of 60), disability pension and survivors' pension (for widows, widowers, partners and orphans). The amount of the disability and old age pensions corresponds to the total of vested rights components and the pension components acquired up to the time when a pension becomes due. The widow's/widower's and partner's pension corresponds to 60% of the disability or old age pension entitlement at the time of death or which was paid out at the time of death. The orphan's pension amounts to 12% of the mentioned pension entitlement for half-orphans and 20% for orphans. Reinsurance contracts were concluded with a view to covering the pension commitments.

Remuneration not based on performance

in T€	Salary		Other Remuneration		Total	
	2020/2021	2019/2020	2020/2021	2019/2020	2020/2021	2019/2020
Norbert Haimerl	282	282	11	13	293	294
Rainer Pumpe (since 01/01/2021)	183	0	14	0	197	0
Heiko Runge	282	281	10	19	292	300
	748	563	35	32	783	594

Remuneration based on performance

in T€	Profit sharing bonuses	
	2020/2021	2019/2020
Norbert Haimerl	128	137
Rainer Pumpe (since 01.01.2021)	74	0
Heiko Runge	128	137
	329	275

Pension

in T€	Pension expenses pursuant to IAS 19	
	2020/2021	2019/2020
Norbert Haimerl	276	288
Rainer Pumpe	0	0
Heiko Runge	242	255
	517	544

Pension

in T€	Present value of defined benefit obligations		In
	2020/2021	2019/2020	
Norbert Haimerl	3,237	3,126	
Rainer Pumpe	0	0	
Heiko Runge	2,905	2,833	
	6,142	5,959	

addition, benefits amounting to T€ 4 (PY: T€ 12) were paid to surviving dependents of former Management Board members.

Benefits Paid in the Event of Termination of Management Board Activity

The Supervisory Board appoints the Dr. Höhle AG Management Board for a maximum term of office of five years.

An agreement governing a transitional allowance was concluded with the Management Board members Mr. Haimerl and Mr. Runge. In accordance with this agreement, Management Board members who resign from office after reaching the age of 50 and before reaching the age of 60, continue to receive payment of the fixed remuneration for 12 months as defined in their employment contracts. After the 12-month period, between 40% and up to a maximum of 50% of the fixed remuneration is paid until the pension commitment for Management Board members enters into effect. However, the agreement concerning the transitional allowance only enters into effect provided that the respective Management Board member has been a member of the Company's Management Board for at least ten years and if she/he is not personally responsible for the termination of employment. Other income is to be counted against the transitional allowance and can reduce or completely set off the allowance. In addition, the Supervisory Board is authorised to reduce the transitional allowance if the Company's economic position deteriorates. In the event that benefits were received erroneously or if the Supervisory Board reduced the benefits subsequently, the benefits granted must be repaid to the Company.

In the event of a change of control at Dr. Höhle AG, the Management Board members Mr. Haimerl and Mr. Runge are entitled to terminate the Management Board Service Agreement with a three-month notice period as at the end of a respective month-end, and to resign from office at that time. A change of control is defined as any direct or indirect assumption of control over Dr. Höhle AG by a third party within the meaning of the German Securities Purchase and Takeover Act (WpÜG). In the event of resignation, the above-mentioned Management Board members are entitled to settlement of their remuneration and fringe benefits at the time of the premature termination up to the maturity date of their service agreements. With respect to the pension commitments, the Management Board members have a choice between a one-off payment in the amount of the value or the continuation. In this context, the Management Board members are to be put in a position as though the Company had fulfilled the respective pension commitments up to the termination date stipulated in the service agreement.

Compensation of Supervisory Board Members

The compensation contains only fixed payments which are oriented towards the duties and responsibilities of the respective Supervisory Board member. No other compensation, for example from advisory or brokerage services, is granted.

Supervisory Board Compensation

in T€	2020/2021	2019/2020
Prof. Dr. Karl Hönle	60	60
Günther Henrich	45	45
Dr. Bernhard Gimple	30	30
Prof. Dr. Imke Libon (since 20.05.2021)	18	0
	153	135