

POLYTEC HOLDING AG REMUNERATION POLICY

The basic principles that apply to the remuneration of the members of the POLYTEC Holding AG's Board of Directors and Supervisory Board ("remuneration policy") were voted on at the 20th Ordinary Annual General Meeting of POLYTEC Holding AG on 7 August 2020 and a recommending resolution was passed with the approval of 69.22% of the share capital present.

The remuneration policy must be submitted to the Annual General Meeting in accordance with § 78a in conjunction with § 78b para. 1 of the Stock Corporation Act (AktG) at least every fourth financial year. POLYTEC has taken this as an opportunity to review its remuneration policy from 2020. As part of this analysis, both market practice and feedback from investors were considered and a revised remuneration policy (remuneration policy 2024) was drawn up. The basic principles for the remuneration of the members of the Board of Directors and the Supervisory Board of POLYTEC Holding AG were revised in accordance with C-Rule 43 of the Austrian Corporate Governance Code and revised by resolution of the Supervisory Board on 11 April 2024. Subject to the approval of the 24th Annual General Meeting on 21 June 2024, the remuneration policy 2024 is to be applied retroactively from 1 January 2024.

The adjustments to the 2024 remuneration policy mainly include targets that will further promote and advance the long-term and sustainable corporate management of the POLYTEC Group.

A REMUNERATION OF THE BOARD OF DIRECTORS

1. Basic principles of the remuneration for members of the Board of Directors

Numerous factors must be considered when designing a remuneration system and determining individual remuneration. These can be outlined in certain basic remuneration principles. The following statements summarise the main remuneration principles of POLYTEC Holding AG (the company), which have an influence on the remuneration system and the individual remuneration of the members of the company's Board of Directors and must therefore be taken into account by the Supervisory Board when making decisions on remuneration issues.

The preparation, regular review and implementation of the remuneration policy for the Board of Directors is generally the responsibility of the Remuneration Committee of the Supervisory Board. In the case of a Supervisory Board with no more than six members - as is the case at POLYTEC Holding AG - the function of the Remuneration Committee can be performed by the entire Supervisory Board.

In implementation of the provisions of the Austrian Stock Corporation Act (§§ 87 ff. AktG) and the recommendations of the Austrian Corporate Governance Code (ÖCGK) in the version of 2023, the aim of the remuneration policy is to promote long-term and sustainable corporate governance. In addition, the total remuneration of the Board of Directors should be commensurate with the tasks and performance of the individual board member in relation to the situation of the company and the usual remuneration and provide long-term behavioural incentives for sustainable corporate development. In particular, the variable remuneration components should be linked to sustainable, long-term and multi-year performance criteria and also include non-financial criteria; they must not incentivise the taking of inappropriate risks.

When determining the remuneration of the Board of Directors, the Supervisory Board takes into account the professional experience and areas of responsibility of the individual board members as well as the scope and complexity of their activities.

A remuneration comparison is regularly carried out with other listed industrial companies in Austria and comparable companies in Germany in order to be able to attract the most suitable and qualified members of the Board of

Directors to work for the POLYTEC Group through the competitiveness of remuneration. The structure of the remuneration system and the assessment of individual remuneration are carried out within the framework of legal and regulatory requirements. The aim of the Supervisory Board is to be able to offer the members of the Board of Directors a competitive remuneration package in line with the market within the regulatory framework. Furthermore, the remuneration and employment conditions of the POLYTEC Group's employees are taken into account in order to set the remuneration of the Board of Directors in relation to the company's remuneration structure.

The remuneration policy should be balanced and create incentives for the members of the Board of Directors to actively develop and implement POLYTEC's group strategy. The aim is to promote sustainable corporate development and to avoid disproportionate risks and transactions for the achievement of performance criteria.

However, due to the complexity of the areas of responsibility of the members of the Board of Directors and the increasingly uncontrollable changes in the automotive industry, it is not possible to control or evaluate the long-term success of the company or the performance of an individual member of the Board of Directors by means of specific individual targets. The automotive industry in particular is highly dependent on the success of a small number of individual customers. Lead times between the award of a contract and the actual start of sales are between 1.5 and 3 years for new orders. A key performance indicator such as sales in particular can therefore only be influenced to a limited extent in the short term. Appropriate risk management is therefore essential in order to be able to react to volatile markets and customer decisions as quickly and effectively as possible. In addition, the Board of Directors must ensure that an excessive willingness to take risks and an excessive focus on short-term profits are avoided at the expense of sustainable positive corporate development.

However, the Board of Directors is undoubtedly responsible for shaping the company's positive development and should participate in the company's economic success, both positively and negatively, through remuneration. However, significant financial motivation based on individual personal targets harbours the risk of individual optimisation in the short term, which would be detrimental to the long-term development of the company. Consequently, the remuneration policy of the POLYTEC Group accounts for this situation. It is intended to create incentives for the best possible and uniform pursuit of the POLYTEC group strategy, to motivate the Board of Directors on a lasting basis and encourage positive corporate development.

2. Procedure

The Board of Directors reports annually on the topic of remuneration to the Supervisory Board, which can initiate a revision of the remuneration policy if necessary. If it is deemed necessary, the Supervisory Board may call in an advisor, whereby it must be ensured that the advisor does not advise the Board of Directors on remuneration issues at the same time.

Each member of the Supervisory Board must immediately disclose any conflicts of interest in connection with their activities on the Supervisory Board and abstain from voting if necessary. At least every fourth financial year, the Supervisory Board reviews the remuneration policy and evaluates whether a revision is necessary. If necessary, internal and external experts can be called in for this purpose.

The Supervisory Board must then pass a resolution on the remuneration policy and submit a corresponding resolution proposal to the Annual General Meeting. The remuneration policy must then be submitted to the Annual General Meeting for a vote.

3. Remuneration structure

The remuneration of the Board of Directors is composed of several different components. In addition to the fixed remuneration (basic salary), there is a variable bonus, which is made up of an economic and a personal bonus component.

The amount of the basic salary is agreed individually for each member of the Board of Directors. The value is secured by linking it to collectively agreed wage and salary increases. The individual employment contracts of the members of the Board of Directors are concluded with POLYTEC Holding AG and are subject to Austrian law. Regarding C-rule 27 of the ÖCGK, the contracts stipulate that the company can reclaim remuneration components if it transpires that these were paid out on the basis of manifestly incorrect data.

No additional non-cash benefits are granted from the exercise of board functions in affiliated companies of the POLYTEC Group.

4. Fixed remuneration (basic salary)

The fixed remuneration is not performance-related and is paid in 14 instalments. It consists of a basic salary and fringe benefits. The basic salary covers all overtime, travel time as well as the assumption of board functions within the group.

When determining the appropriate amount of the basic salary, various factors should be considered and the basic assumption of the mandate as a managing director and the associated overall responsibility of the individual members of the Board of Directors should be remunerated. In addition, the assessment will account for both the importance of the remit regarding corporate success and its scope. Furthermore, the amount is based on the remuneration paid in comparable markets. It is intended to incentivise the members of the Board of Directors to always act in the best interests of the company and in consideration of the interests of shareholders, employees, and the public interest. Accordingly, the fixed remuneration must be calculated in such a way that competitive remuneration in line with the market can be ensured, even taking these requirements into account.

The company includes the members of the Board of Directors in the insurance programs required for their activities, such as D&O insurance, accident insurance and foreign travel health insurance.

The company provides the members of the Board of Directors with a company car. In addition, the members of the Board of Directors are reimbursed for reasonable business expenses associated with their work as members of the Board of Directors as well as their travelling expenses.

5. Variable remuneration components

The members of the Board of Directors are entitled to a performance-related, variable remuneration component. This should be dependent on both the economic development of the POLYTEC Group and personal performance.

The performance-related variable remuneration component is limited to a total of 100% of the basic salary.

Economic bonus component

The Chairman of the Supervisory Board, in consultation with the full Supervisory Board, determines the target values and financial performance criteria that apply uniformly to all members of the Board of Directors.

In the automotive supply industry, a high return on capital ensures sufficient liquidity for further growth on the one hand and, on the other, takes into account an appropriate balance between the achievable return on sales and the capital employed for this purpose. The variable remuneration components therefore continue to focus on the performance indicator "return on capital employed" (ROCE), which reflects the relationship between the company's operating earnings before interest and taxes (EBIT), considering sustainable and appropriate capital employed.

If EBIT exceeds a certain, appropriate minimum ROCE, a percentage of this EBIT is granted as a profit-sharing bonus for the entire Board of Directors, which is distributed to the individual board members according to a fixed formula. The economic bonus component thus represents a short-term and long-term performance incentive.

Personal bonus component

The personal bonus component is intended to incentivise the specific areas of responsibility and departments of the individual members of the Board of Directors, and, above all, sustainable, non-financial performance criteria should also be included in the variable remuneration. The Board of Directors should be required to take into account all circumstances, including rapidly changing or new ones, when making business decisions and not (only) act in a bonus-oriented manner.

The personal performance of a member of the Board of Directors and their contribution to the overall success of the company cannot be determined based on the achievement of a small number of individual targets; instead, a coordinated approach by the members of the Board of Directors is an indispensable prerequisite for the success of the POLYTEC Group.

Personal performance is therefore assessed considering the following performance criteria in particular:

- a high level of personal commitment and contribution to the company's success
- an exceptionally high contribution to the realisation of the POLYTEC corporate strategy
- close cooperation and a standardized, coordinated approach among the members of the Board of Directors
- the consistent and swift adoption of targeted and appropriate measures, particularly in response to changing framework conditions
- the realization of key projects
- above-average leadership skills
- positive organisation of one's own area of responsibility and implementation of sustainable improvements or necessary projects
- increasing efficiency within own areas of responsibility
- tangible contributions to the further development of the POLYTEC sustainability strategy, which was revised in the 2022 financial year

When measuring the achievement of personal targets, external factors such as (geo)political and social as well as extraordinary effects and influences that affect the group's profitability or the fulfilment of these performance criteria must be taken into account. Both favourable and unfavourable effects must be considered. The personal criteria therefore represent an opportunity to include both effects in the overall assessment.

Determination of targets

The targets are set by the Supervisory Board as part of target agreements - usually over several years - to determine performance. After receiving a report from the Chairman of the Board of Directors, the Supervisory Board assesses the financial and personal performance criteria after the end of each financial year at its own dutiful discretion, considering the overall circumstances, and subsequently reports on the performance criteria used and their assessment in the remuneration report.

6. Duration and termination of the contracts of the members of the Board of Directors

The mandates of the members of the Board of Directors are limited to a maximum of five years. Reappointments are permitted.

7. Termination of a Board of Directors mandate

The employment contracts of members of the Board of Directors are concluded for a fixed term. If a member of the Board of Directors is dismissed for culpable actions that would be considered grounds for dismissal in analogous application of the provisions of § 27 Salaried Employees Act, the employment contract can be cancelled by the company with immediate effect in accordance with the statutory provisions. In the event of dismissal for other important reasons, the company may terminate the employment contract with a maximum notice period of twelve months.

If a member of the Board of Directors leaves early by mutual agreement, in particular at the request of the Board member, the Board member is only entitled to salary payments up to the mutually agreed termination date without additional benefits such as bonus payments. If the Board member's contract is terminated for personal reasons, the company may insist on the Board member's services in return for payment of the remuneration for a maximum period of up to six months.

8. Special bonuses

Special bonus payments based on exceptional performance over and above the variable personal performance bonuses are foreseen. However, it is permissible to agree sign-on or stay-on bonuses with members of the Board of Directors to attract particularly qualified Board members to the company or to retain Board members in the interests of the company in case of exceptional circumstances.

B REMUNERATION OF THE SUPERVISORY BOARD

1. Basic principles of the remuneration of the Supervisory Board

The full Supervisory Board is responsible for drawing up and regularly reviewing the remuneration policy for the Supervisory Board. Supervisory Board remuneration is finally determined by the Annual General Meeting (§ 98 Stock Corporation Act). The Supervisory Board remuneration consists of a total remuneration resolved by the Annual General Meeting, the distribution of which is the responsibility of the Chairman of the Supervisory Board. The Chairman of the Supervisory Board, the Deputy Chairman of the Supervisory Board, the committee chairmen and certain committee members may be granted higher basic remuneration than the ordinary members of the Supervisory Board, considering larger assignments and greater responsibilities. In addition, Supervisory Board members are entitled to reimbursement of their cash expenses.

The remuneration of the Supervisory Board should promote the sustainable and long-term development of the company as well as the implementation of the corporate strategy. At the same time, it should do justice to the responsibility and scope of duties and activities of the individual Supervisory Board members and reflect the economic situation of the company. Variable bonuses etc. are not envisaged.

The company includes the members of the Supervisory Board in the Group-wide D&O insurance policy.

In order to achieve market conformity and competitiveness of Supervisory Board remuneration, a horizontal remuneration comparison with other industrial companies in Austria is regularly carried out in order to be able to attract qualified candidates with the remuneration system.

Supervisory Board remuneration is invoiced by the Supervisory Board members after the last Supervisory Board meeting of the financial year and is paid out as a lump sum by the end of the current year at the latest. If a Supervisory Board member's function begins or ends within a financial year, payment is made on a pro rata basis.

2. Duration and termination

The members of the Supervisory Board are elected by the Annual General Meeting for a maximum term of five years. Reappointments are permitted.

The appointment of Supervisory Board members can be revoked before the end of the term of office by the Annual General Meeting by resolution with a simple majority. In this case, the members are entitled to the Supervisory Board remuneration for the relevant financial year on a pro rata basis.

Any member of the Supervisory Board may resign from office by giving four weeks' notice without giving reasons by registered letter to the Chairman of the Supervisory Board.