



Remuneration Report

of H&R GmbH & Co. KGaA

2024

Remuneration Report 2024

Introduction

The following remuneration report for 2024 explains the general principles of the remuneration system for the members of the Executive Board and the Supervisory Board of H&R GmbH & Co. KGaA and describes the amount and structure of the remuneration of the Board members for financial year 2024.

The remuneration report takes the requirements of Section 162 of the German Stock Corporation Act (AktG) into account, which was mandatory for financial statements for the year 2021 for the first time. In addition, the remuneration system for the Executive Board and the remuneration system for the Supervisory Board comply with the principles, recommendations and suggestions as per GCGC 2022. Both remuneration systems were submitted to the Annual Shareholders' Meeting for the first time in July 2021 and adopted with a clear majority. The revised version of the Supervisory Board remuneration system was presented to the 2024 Annual Shareholders' Meeting and was also adopted with a clear majority. The 2024 remuneration report is the fourth remuneration report to be submitted to the Annual Shareholders' Meeting on the basis of the approved/updated remuneration system for adoption.

A resolution will be passed by the 2025 Annual Shareholders' Meeting.

Executive Board Remuneration

The remuneration system for members of H&R Komplementär GmbH's Executive Board makes a significant contribution to promoting the corporate strategy of H&R KGaA, providing incentives for successful, sustainable, long-term and value-oriented development of the company, while simultaneously avoiding disproportionate risks from being taken.

Through the structure of the remuneration system, particularly the long-term variable (performance-related) remuneration components with a multi-year assessment basis, incentives are put in place for the members of the Executive Board to pursue the targets specified in the strategy and thereby ensure a sustainable and long-term increase in the company's value. At the same time, the aim of the remuneration system is to offer the members of the Executive Board remuneration that is in line with the market.

The specification of the remuneration system for the members of the Executive Board of the general partner with full personal liability took place in consideration of the specific features of the legal form of a partnership limited by shares (KGaA) in corresponding application of the regulations of the German Stock Corporation Act (AktG) and the recommendations and suggestions announced by the Federal Ministry of Justice and Consumer Protection on March 20, 2020, in the Bundesanzeiger (Federal Gazette) and the suggestions of the Government Commission on the German Corporate Governance Code in its current version dated December 16, 2019 (GCGC 2019/2020). The company declares any deviations with reference to the latest version of the Code (currently GCGC 2022) in its statement of compliance, which is available in its respective latest version on the company's website.

Specification of the Concrete Target Total Remuneration, Adequacy of the Remuneration

In compliance with the remuneration system for each member of the Executive Board, the Advisory Board specifies the amount of the target total remuneration and the performance criteria for all variable remuneration components for the upcoming financial year.

The target total remuneration for each member of the Executive Board is the respective sum of all fixed and variable remuneration components (in the case of variable remuneration components, in the event of 100% target achievement) in a year. For the specification of the concrete target total remuneration, the Advisory Board ensures that

it is appropriate in relation to the tasks and performance of the member of the Executive Board, as well as to the company's net assets, financial position and results of operations and its future prospects and does not exceed the normal remuneration without special reasons and is aimed at the long-term and sustainable performance of H&R KGaA.

For the specification of the variable remuneration component, the Advisory Board ensures that the target remuneration from the long-term remuneration components is a higher amount than the target remuneration from the short-term remuneration components and the target remuneration from the variable remuneration components overall is influenced more by strategic targets than operational targets.

Remuneration Components and Their Relative Shares of the Remuneration (Overview)

The remuneration system for members of the Executive Board of the general partner with full personal liability is comprised of fixed (non-performance-related) and variable (performance-related) components. The fixed remuneration components comprise the fixed basic remuneration and the fringe benefits. The variable remuneration components comprise short-term and long-term variable remuneration, which are linked to financial performance criteria, as well as short-term variable remuneration, which is linked to non-financial performance criteria.

The fixed remuneration components account for 44% and the variable remuneration components account for 56% of the target total remuneration. The share of the fixed basic remuneration is 42% of the target total remuneration. Fringe benefits account for 2% of the target total remuneration. The share of short-term variable remuneration components (income component and ESG bonus, each with target achievement of 100%) is 26%. The share of long-term variable remuneration components (sustainability component with target achievement of 100%) is 30%.

Share-based remuneration is currently not envisaged.

Maximum Limits of the Total Remuneration (Maximum Remuneration)

According to Section 87a, paragraph 1, sentence 2, no. 1 AktG, a maximum limit for the total remuneration (maximum remuneration) of a member of the Executive Board was specified in the amount of €1,500,000.00 per year. The actual total amount received of the remuneration granted for a financial year is limited by the fixed maximum remuneration.

Fixed Component

The fixed component consists of the non-performance-related basic remuneration, which is paid pro rata each month as a salary, plus various fringe benefits and non-monetary remuneration. At present, this primarily comprises insurance premiums for private life and disability insurance policies, contributions to pension, health and long-term care insurance policies, corresponding to the amount payable by an employer if social insurance contributions were payable in full. In addition to this, the fringe benefits also comprise the conclusion of pecuniary damage liability insurance with a deductible and the use of a private company car.

Variable Components

The variable remuneration of the members of the Executive Board has the purpose of setting the right incentives for the Executive Board and pursuing and achieving the targets specified in the strategy, thereby ensuring a sustainable and long-term increase in the company's value. In the case of multiple members of the Executive Board, the target values are specified uniformly for all members of the Executive Board.

Short-Term Variable Remuneration (Income Component)

The short-term variable remuneration comprises a bonus with financial performance criteria, based on a one-year assessment period (income component).

The financial performance criterion of the income component is the earnings before interest, taxes, depreciation and amortization (EBITDA) calculated on the basis of the consolidated financial statements of H&R KGaA for the relevant

financial year, adjusted for extraordinary income components. By focusing on a financial performance criterion that is based on the company's business success, it is guaranteed that the strategy and long-term development are promoted.

The concrete target value for the respective financial year is specified by the Advisory Board prior to the start of the relevant financial year (EBITDA target value). The EBITDA target value is based on the specified budgeted EBITDA in the annual budget approved by the Advisory Board. On reaching the EBITDA target value specified by the Advisory Board for the financial year, the degree of target achievement is 100%. For the achievement of a degree of target achievement of 100%, a target amount is specified in euros.

If the EBITDA achieved for the respective financial year exceeds the EBITDA target value, a proportional increase of the degree of target achievement takes place. The target achievement in relation to the EBITDA performance criterion can be a maximum of 120% (maximum value); the maximum possible payout amount of the income component is capped accordingly. If the achieved EBITDA falls below the EBITDA target value, a proportional reduction of the degree of target achievement takes place. If a degree of target achievement of 75% (threshold value) is fallen below, the payment of an income component completely ceases to apply.

After the end of the financial year, the Advisory Board calculates the degree of target achievement in the first quarter of the following year for the member of the Executive Board as a percentage value. The payout amount is calculated by multiplying the target amount with the degree of target achievement (divided by 100). The income component for the past financial year of the company is due for payout in cash within seven calendar days after the regular Annual Shareholders' Meeting of H&R KGaA, i.e. generally in the second quarter of the financial year.

In the remuneration report for the past financial year, transparent information is provided about the concretely specified target, the degree of target achievement and the payout amount.

Short-Term Variable Remuneration (ESG Bonus)

The variable remuneration is also intended to provide incentives for implementing non-financial targets in environmental, social and governance (ESG) areas. The short-term variable remuneration therefore additionally comprises a target bonus with non-financial performance criteria, based on a one-year assessment period (ESG bonus). By specifying non-financial performance criteria relating to ESG, the variable remuneration is consistently aimed at the achievement of key points of the strategic objectives of the company, particularly in the area of environment and sustainability. At the same time, it takes account of the overriding aim of the H&R Group to create long-term added value for people, the environment and society.

The concrete ESG targets for the financial year are specified by the Advisory Board prior to the start of the respective financial year, based on the aforementioned catalog (the specified "ESG targets"). For each of the specified ESG targets, the Advisory Board determines a threshold value and a target value (together, the "ESG target values").

For the specification of the ESG targets, the Advisory Board also determines the weighting among multiple specified ESG targets for the overall target achievement. For the ESG targets, measurable criteria should be specified as far as possible. The achievement of the ESG targets can be determined by a target-actual comparison. The criteria and methods for the assessment of the respective target achievement are substantiated with the specification of the ESG targets for the respective financial year.

On reaching all of the ESG target values specified by the Advisory Board for the financial year, the overall degree of target achievement is 100%. For the achievement of an overall degree of target achievement of 100%, a target amount is specified in euros. If the targets achieved for the respective financial year exceed the specified ESG target values, no proportional increase of the target amount takes place. The overall target achievement in relation to the ESG targets can therefore be a maximum of 100% (overall maximum value); the possible payout amount of the

ESG bonus is capped accordingly. If the targets achieved fall below the specified ESG target values, a proportional reduction of the target amount takes place. If an overall degree of target achievement of 75% is fallen below, the payment of an ESG bonus completely ceases to apply.

After the end of the financial year, the Advisory Board calculates the degree of target achievement for each of the specified ESG targets in the first quarter of the following year for the member of the Executive Board as a percentage value. The target achievement in relation to the ESG target is limited by the specified target value. A target achievement in relation to an ESG target below the specified threshold value goes into the calculation with a factor of 0. From the degree of target achievement with each of the specified ESG targets, the Advisory Board calculates the overall degree of target achievement as an average. The payout amount is calculated by multiplying the target amount with the overall degree of target achievement (divided by 100). The ESG bonus for the past financial year of the company is due for payout in cash within seven calendar days after the regular Annual Shareholders' Meeting of H&R KGaA, i.e. generally in the second quarter of the financial year.

In the remuneration report for the past financial year, transparent information is provided about the concretely specified ESG targets, the overall degree of target achievement and the payout amount.

Long-Term Variable Remuneration (Sustainability Component)

The long-term variable remuneration of members of the Executive Board comprises a bonus with a multi-year assessment basis (sustainability component). The sustainability component as long-term variable remuneration is intended to provide incentives for implementing the company's strategic objectives and ensuring long-term, sustainable corporate development based on an increase in value added.

A relevant key performance indicator for the success of the business strategy and the long-term successful development of the company is the return on capital employed (ROCE). Therefore, the ROCE has been specified by the Advisory

Board as a long-term financial performance criterion for the sustainability component. The ROCE is assessed as the average value over a rolling three-year period. To calculate the ROCE, the earnings before interest and taxes (EBIT) are divided by the average capital employed (equity plus net financial debt, pension provisions, and other non-current provisions) on the basis of the respective consolidated financial statements of H&R KGaA.

The Advisory Board has currently specified an average ROCE of 10% (ROCE target value). If an average ROCE in the amount of the ROCE target value is reached within the relevant three-year period, the degree of target achievement is 100%. For the achievement of a degree of target achievement of 100%, a target amount is specified in euros. The target achievement in relation to the ROCE performance criterion of the sustainability component can be a maximum of 133% (maximum value). This is achieved if the average ROCE exceeds the ROCE target value by 5 percentage points or more within the relevant three-year period. If the achieved average ROCE is 10 percentage points below the ROCE target value (threshold value), the target achievement is 33%. If the achieved average ROCE is more than 10 percentage points below the ROCE target value, the target achievement is 0% and the payment of a sustainability component completely ceases to apply. Values between the threshold value, the ROCE target value and the maximum value are interpolated linearly. After the end of the financial year, the Advisory Board calculates the average ROCE and, based on this, the degree of target achievement in the first quarter of the following year for the member of the Executive Board as a percentage value for the past financial year and the two preceding financial years. The payout amount is calculated by multiplying the target amount with the degree of target achievement (divided by 100).

The sustainability component is due for payout in cash within seven calendar days after the regular Annual Shareholders' Meeting of H&R KGaA, i.e. generally in the second quarter of the financial year. With the first-time appointment of a managing director, the sustainability component is paid for the first time after the end of the third year following the appointment for the previous

three-year period, depending on target achievement. In the remuneration report for the past financial year, transparent information is provided about the concretely specified target, the degree of target achievement and the payout amount.

Consideration of Extraordinary Developments

A subsequent change in target values or comparative parameters is excluded. However, with respect to variable remuneration components, the Advisory Board is entitled to take appropriate account of unforeseeable extraordinary developments at its equitable discretion and increase or decrease the variable remuneration by up to 20%. This can result in an increase, as well as a reduction in the target achievement and consequently the payout amounts. For example, extraordinary developments comprise the sale or acquisition of parts of companies, a serious change to the taxation and accounting regulations, natural disasters and other comparable circumstances. In contrast, generally unfavorable market developments are not considered extraordinary developments. If extraordinary developments occur that require an adjustment, they are reported on transparently in the annual remuneration report.

Malus and Clawback

Under certain circumstances, the Advisory Board can retain all or part of the variable remuneration if it has been granted for a financial year in which the member of the Executive Board has committed a serious breach of duty (malus). Upon request by the Advisory Board, variable remuneration components that have already been paid out must be paid back by a member of the Executive Board if the existence of a serious breach of duty is only determined after the payout of the variable remuneration components or a material misstatement exists in the financial reporting, which has implications for the calculation of the variable remuneration (clawback). The Advisory Board decides, at its equitable discretion, whether and which variable remuneration components are retained or reclaimed in which amount and for which year. The seriousness of the breach, the degree of fault and a loss incurred by the company must be taken into consideration. Further claims in the case of personal misconduct by a member of the Executive Board, particularly claims for damages in accordance with Sections 93, paragraph 2, and 283, no. 3 AktG, shall remain unaffected by this.

Remuneration-related Legal Transactions

Benefits Upon Termination of Contract

In the case of the dismissal of a managing director, the rights under the managing director's employment contract shall essentially remain unaffected. In the event of termination of a board position, the company is entitled to release a managing director from any additional activity for the company during the remaining term of the managing director's employment contract. The release of the managing director shall take place subject to continued payment of the proportional fixed basic remuneration and taking into account any leave claims. Variable remuneration is not owed for the times of release.

In the event that the appointment of a managing director and the managing director's employment agreement are terminated prematurely without good cause within the meaning of Section 626, paragraph 1 of the German Civil Code (BGB), severance pay may be agreed. This is a maximum of two annual remuneration payments including fringe benefits (severance pay cap) and shall not remunerate more than the remaining term of the managing director's employment contract. No entitlement exists to commitments for benefits arising from the premature termination of the management contract by the member of the Executive Board resulting from a change of control.

Outside Work, Internal and External Supervisory Board Mandates

The assumption of business activities, board functions and other outside work, outside of the activity as managing director of the general partner with full personal liability, requires the approval of the Shareholders' Meeting of H&R Komplementär GmbH. If members of the Executive Board assume Supervisory Board mandates within the H&R Group, any remuneration granted for this will be taken into account. For the assumption of Supervisory Board mandates outside of the H&R Group, the Advisory Board decides whether and to what extent the remuneration is to be taken into account, in consideration of the circumstances.

Temporary Deviation from the Remuneration System

According to Section 87a, paragraph 2, sentence 2 AktG, the Advisory Board has the option to temporarily deviate from the remuneration system under extraordinary circumstances, if this is necessary, in the interest of the long-term well-being of H&R KGaA. For example, such deviations may be necessary for ensuring an appropriate incentive in the case of a serious corporate crisis or a serious economic crisis. However, generally unfavorable market developments do not justify any deviation.

The targets formulated for financial year 2024 remained unchanged in the current year. There were consequently no deviations from the remuneration system.

Disclosure of Executive Board Remuneration

The following table shows the fixed and variable remuneration components granted to the current members of the Executive Board in the past financial year and in the previous year, including the respective relative share according to Section 162 AktG.

EXECUTIVE BOARD REMUNERATION (GRANTED AND OWED)

Members of the Executive Board	IN €	Benefits granted			
		2023	2023	2024	2024
	Fixed remuneration	525,000	44%	525,000	50%
	Fringe benefits ¹⁾	464	0%	464	0%
	Total	525,464	44%	525,464	50%
	One-year variable remuneration	270,000	23%	183,845	18%
	ESG component	100,000	9%	-	0%
	Multiple-year variable remuneration	283,750	24%	338,750	32%
	Total	1,179,214	100%	1,048,059	100%
Niels H. Hansen Chairman of the Executive Board (until July 31, 2019) Sole member of the Executive Board (since August 1, 2019)	Pension expenses	-	-	-	-
	Total remuneration	1,179,214	100%	1,048,059	100%

¹⁾ Inter alia, this item includes the use of a car and casualty insurance premiums; travel expenses

No remuneration components owed for financial year 2023 and granted in 2024 were subsequently reclaimed (malus/clawback regulation).

Short-Term Variable Remuneration (Income Component) – Target Achievement

In relation to the relevant financial performance criterion of EBITDA for financial year 2024 (threshold for 0% target achievement equal to 75% of

the budget EBITDA/target value for 100% target achievement equal to budget EBITDA/threshold for maximum target achievement equal to 120% of the budget EBITDA) the target achievements shown in the table are determined after the end of the financial year for the assessment period.

Performance criterion	Threshold for 0% target achievement	Target value for 100% target achievement	Maximum value, capped at 120% target achievement	EBITDA in € million, achieved	Target achievement in %
EBITDA in € million	168,750	225,000	270,000	94.8	79

Short-Term Variable Remuneration (ESG Component) – Target Achievement

As a component of the remuneration system, short-term variable remuneration (ESG component) was agreed for 2024 with the following four equally weighted targets:

1. ENVIRONMENT: Successful implementation of the business plan for the Lumut/Malaysia site with regard to the production and marketing of white oil
2. ENVIRONMENT: Successful implementation of the business plan by processing 3,000 metric tons of sustainable products at the two German production sites (in the recycling and bio-based areas)
3. GOVERNANCE: Process improvements and accelerated implementation of regulatory requirements, as well as implementation of a suitable IT system for preparing financial statements, including ESEF tagging
4. ENVIRONMENT: Group-wide implementation of energy-efficiency measures and expansion of a self-sufficient power supply, using photovoltaic systems for example

A variable ESG component totaling €100,000.00 was agreed as remuneration for achieving the targets, each with an equal weighting of 25%.

As stated above in “Temporary Deviation from the Remuneration System”, achievement of the short-term variable remuneration was assessed on the basis of the agreed ESG targets without qualification in 2024. Achievement of the individual targets is assumed as follows:

With regard to the first target, the Lumut site in Malaysia reported a volume of 527 tons for 2024 in terms of the marketing and production of white oil in the first year after starting operations. As the Advisory Board and the Executive Board had defined a volume of 420 tons for achieving the sub-target, the target has been met. The Advisory Board acknowledged this outcome accordingly and assessed all four targets as representing a 25% share of overall target achievement.

With the target of processing 3,000 tons of sustainable raw materials, the Executive Board has once again set itself an ambitious goal for target 2. Ultimately, the company fell short of this target in 2024 despite a nine-fold year-on-year increase in output and an achieved volume of almost 2,700 tons, despite a target achievement rate of 90%. This target accounted for 22.5% of the overall target achievement.

Nevertheless, it is worth taking a look at the underlying factors. In terms of technology and in-house expertise, the company believes it is definitely able to process higher quantities of sustainable raw materials – also in the very near future. Depending on the raw material concerned, the Executive Board believes that this can currently be achieved in 70% to 100% of cases. The ramp-up in the corresponding markets and in demand, however, has yet to materialize. Unlike with previous developments (taking TDAE as an example), there is hardly any regulatory pressure to switch to more sustainable raw materials and products. This means that the company does not currently have the necessary commercial prospects. An increase in processing as an end in itself is simply not economically feasible.

The last few financial years have shown that the requirements that apply to the preparation of financial statements have increased consistently in tandem with increasing regulation. This has also applied, in particular, to internal processes and the interfaces with the auditors or in relation to reporting obligations.

In order to continue to meet these special requirements in the interests of good corporate governance in the future and using its own expertise, the management has implemented the introduction of the AMANA Smartnotes software as part of the third target. The program facilitates the professional creation and design of numerous annual financial statement files, but, most importantly, ensures key advantages, particularly with regard to direct interaction with the auditor, by allowing the legally required ESEF tagging to be achieved in-house. The 2024 Annual Report and the 2024 separate financial statements of H&R GmbH & Co. KGaA were prepared entirely using Smartnotes for the first time.

The Advisory Board has acknowledged this outcome accordingly and considers the objective to have been fully achieved. It has assessed all four targets as representing a 25% share of overall target achievement.

The management pursues a Group-wide strategic approach of using raw materials and energy sparingly. Since 2011, the two German production sites have been aiming to reduce their annual energy consumption by 0.5%. This goal is being maintained – not least due to the high leverage effect – while the management also set itself the objective for 2024 of supporting additional measures for energy self-sufficiency using regenerative energy sources, in particular photovoltaics.

By the end of the year, four such systems were in operation at the H&R Group's international locations. Three existing systems were expanded to support our own electricity consumption at our sites in Thailand and Australia, and a completely new photovoltaic system was installed and commissioned in South Africa. At the end of the year, electricity from photovoltaic systems accounted for 29.5% and 22.8% of total electricity consumption in Thailand, 57.4% in Australia and

29.1% in South Africa. The implemented measures contribute significantly to a reduction in carbon emissions and have a positive impact on the economic key figures of the locations. The Advisory Board therefore considers the target to have been achieved. Accordingly, an amount of €25 thousand has been recognized for payment for target achievement equivalent to 25%.

An overall target achievement rate of 97.5% was achieved for the 2024 targets. In line with the remuneration system, however, sub-targets that have not been achieved in full are rated with a factor of 0, meaning that only those targets that have been achieved in full can be included, with a weighting of 25% each, for payment as part of the short-term variable remuneration (ESG component). This corresponds to an ESG component for payout of €75 thousand for 2024.

The Advisory Board also decided to extend the time frame for achievement of the targets for financial year 2023 one time only until the end of financial year 2024, thereby enabling the Executive Board to achieve the 2023 ESG targets in full – in addition to the new targets for 2024.

These targets were defined as 1. A training concept for South Africa based on the German model, 2. Implementation and preparation of a manual for the integrated control system, 3. Early commissioning of the Lumut/Malaysia site and 4. Processing of 3,500 tons of sustainable raw materials in Germany. The Advisory Board now considers targets 1. and 2. to have been achieved in full and puts the target achievement level at 25% in each case in relation to the overall ESG component. It was impossible to achieve target 3., as “early” commissioning was, in retrospect, no longer possible in purely practical terms. As target 4. was also not achieved in full in financial year 2024, the overall target achievement level fell short of the required minimum level despite a significant improvement. The remuneration system stipulates that no ESG bonus is paid if the degree of target achievement falls below an overall value of 75.0%. There will therefore be no subsequent payment of an ESG component for 2023 in financial year 2025.

Long-Term Variable Remuneration (Sustainability Component) – Target Achievement

The ROCE (EBIT divided by the average capital employed (equity plus net financial debt, pension provisions, and other non-current provisions)) was specified by the Advisory Board with a current average target value of 10% (ROCE target value). If an average ROCE in the amount of the ROCE target value is reached within the relevant three-year period, the degree of target achievement is 100%. For the achievement of a degree of target achievement of 100%, a target amount is specified in euros. The target achievement in

relation to the ROCE performance criterion of the sustainability component can be a maximum of 133% (maximum value). This is achieved if the average ROCE exceeds the ROCE target value by 5 percentage points or more within the relevant three-year period. If the achieved average ROCE is 10 percentage points below the ROCE target value (threshold value), the target achievement is 33%. If the achieved average ROCE is more than 10 percentage points below the ROCE target value, the target achievement is 0% and the payment of a sustainability component completely ceases to apply.

Performance criterion	Threshold for 0% target achievement	Target value for 100% target achievement	Maximum value, capped at 133% target achievement	ROCE in %, three-year average	Target achievement in %
ROCE in %	0	10	15	9.03	90.3
Target amount in €	0	375,000	498,750	338,750	338,750

Comparative Presentation of the Remuneration and Income Development

The following comparative presentation shows the annual change to the remuneration granted and owed of the present and previous members of the Executive Board, the income development of the company and the remuneration of

managerial staff on a full-time-equivalent basis, whereby, for the latter, the average salary of a managing director viewed across all subsidiaries of the Group worldwide in the respective financial year is used as the basis.

REMUNERATION AND INCOME DEVELOPMENT FOR MEMBERS OF THE EXECUTIVE BOARD

	Granted and owed remuneration	Change									
		2024	2023	2023 to 2024		2022 to 2023		2021 to 2022		2020 to 2021	
				IN € THOUSAND	IN %	IN € THOUSAND	IN %	IN € THOUSAND	IN %	IN € THOUSAND	IN %
Current members of the Executive Board											
Niels H. Hansen	1,048	1,179	-131	-11	278	31	183	20	49	7	
Managerial staff											
Global (in € thousand)	286	279	7	2	19	7	4	1	22	9	
Employees											
Global (in € thousand)	64	61	3	5	2	3	0	0	3	5	
Income development											
Group annual results (€ million)	11.1	10.6	0.5	18	-32.1	-75	-7.6	6	76.7	237	

The maximum remuneration of the members of the Executive Board specified in the remuneration system was not reached by the remuneration granted in financial year 2024 and actually received of €931 thousand.

Supervisory Board Remuneration

Supervisory Board remuneration is governed by Section 13 of our Articles of Association and primarily comprises the following elements:

Supervisory Board Remuneration

Every member of the Supervisory Board receives fixed annual remuneration of €35,000.00. The Chair of the Supervisory Board receives three times, and their deputy one and a half times, this amount.

In addition to the fixed remuneration according to paragraph 1, the members of actually formed committees receive fixed annual remuneration of €12,500.00. If a Nomination Committee is formed, by way of derogation from half-sentence 1, its members receive fixed annual remuneration of €6,250.00. Supervisory Board members who chair one of the aforementioned committees receive twice the remuneration payable for membership of the committee in question.

The remuneration according to paragraph 1 and 2 is payable for the past financial year within ten bank business days (Frankfurt/Main) after the Annual Shareholders' Meeting, which passes a resolution regarding granting discharge to the members of the Supervisory Board for the respective financial year.

Members of the Supervisory Board who have only belonged to the Supervisory Board or a committee for a part of the financial year receive the remuneration according to paragraph 1 and 2 on a pro rata temporis basis.

The members of the Supervisory Board receive compensation from the company for the expenses that they incur in exercising their office, as well as possible value-added tax payable on the remuneration.

In its own interest, the company may take out insurance for purely financial losses, which also covers the liability of the members of the Supervisory Board.

The members of the Supervisory Board are entitled to the remuneration in the amount resulting from the current version of this Section 13 for the first time for the company's financial year starting on January 1, 2024

Underlying Remuneration System

The remuneration is based on the following remuneration system for the members of the Supervisory Board:

The members of the Supervisory Board receive fixed remuneration. A meeting fee and variable or share-based remuneration are not granted to the members of the Supervisory Board. The payment of fixed remuneration corresponds to the prevailing practice of other listed companies and simultaneously follows suggestion G.18 sentence 1 GCGC 2022. In the view of the general partner with full personal liability and of the Supervisory Board, it takes the best account of the independence and monitoring function of the Supervisory Board.

According to the Articles of Association, each member of the Supervisory Board receives fixed annual remuneration (basic remuneration) of €35,000.00. The Chair of the Supervisory Board receives three times, and their deputy one and a half times, this fixed remuneration. This complies with recommendation G.17 GCGC 2022 at the same time, according to which, for the remuneration of the members of the Supervisory Board, the greater amount of time spent by the Chair of the Supervisory Board and the Deputy Chair of the Supervisory Board must be taken appropriately into consideration. Concretely, the following annual basic remuneration therefore applies: €105,000.00 for the Supervisory Board Chair, €52,500.00 for the Deputy Supervisory Board Chair and €35,000.00 for the other members of the Supervisory Board.

In addition to the basic remuneration, the members of actually formed committees receive fixed annual remuneration of €12,500.00. If a Nomination Committee has been formed, by way of derogation from this, its members receive an additional annual fixed remuneration of €5,000.00, which takes account of the expected less time spent on Nomination Committee activities. Supervisory Board members who chair one of the committees receive twice the remuneration payable for

membership of the committee in question, i.e. € 25,000.00 or, in the case of the Chair of the Nomination Committee, €12,500.00. This also complies with recommendation G.17 GCGC 2022, according to which, for the remuneration of the members of the Supervisory Board, the greater amount of time spent by the Chair and members of the committees must be taken appropriately into consideration.

Members of the Supervisory Board who have only belonged to the Supervisory Board or a committee for a part of the financial year only receive the respective fixed remuneration on a pro rata temporis basis.

The aforementioned fixed remuneration is respectively payable for the past financial year within ten bank business days (Frankfurt/Main) after the Annual Shareholders' Meeting, which passes a resolution regarding granting discharge to the members of the Supervisory Board for the respective financial year. Apart from this, no postponement periods exist for the payout of remuneration components.

The cap for the remuneration of members of the Supervisory Board results from the fixed remuneration, the amount of which depends individually on the assumed tasks in the Supervisory Board/its committees. A maximum amount of remuneration is not specified for the members of the Supervisory Board.

In addition to the fixed remuneration described above, the members of the Supervisory Board receive compensation from the company for the expenses that they incur in exercising their office, as well as possible value-added tax payable on the remuneration. Furthermore, the members of the Supervisory Board can be included in insurance for purely financial losses taken out by the company, the premiums of which are paid by H&R GmbH & Co. KGaA

Disclosure of Supervisory Board Remuneration

The following table shows the fixed remuneration and remuneration for committee work that has been granted to, i.e. actually been received by, the present Supervisory Board members in the past financial year. This refers to work carried out in the previous financial year.

SUPERVISORY BOARD REMUNERATION (GRANTED)

IN €	Fixed remuneration			Remuneration for committee work			Total	
	2023	2024	2024 (share of total remuneration)	2023	2024	2024 (share of total remuneration)	2023	2024
Dr. Joachim Girg (Chair)	90,000.00	105,000.00	71	35,000.00	43,750.00	29	125,000.00	148,750.00
Peter Brömse	-	20,751.37	58	-	14,822.40	42	-	35,573.77
Roland Chmiel	45,000.00	52,500.00	58	30,000.00	37,500.00	42	75,000.00	90,000.00
Sven Hansen	30,000.00	35,000.00	48	30,000.00	37,500.00	52	60,000.00	72,500.00
Dr. Rolf Schwedhelm	30,000.00	35,000.00	44	35,000.00	43,750.00	56	65,000.00	78,750.00
Dr. Hartmut Schütter	30,000.00	14,248.63	58	20,000.00	10,177.60	42	50,000.00	24,426.23
Sabine Dietrich	30,000.00	35,000.00	48	20,000.00	37,500.00	52	50,000.00	72,500.00
Patrick Ewels	30,000.00	35,000.00	100	-	-	0	30,000.00	35,000.00
Thomas Mertling	30,000.00	35,000.00	100	-	-	0	30,000.00	35,000.00
Dominik Franz	30,000.00	35,000.00	100	-	-	0	30,000.00	35,000.00
Total	345,000.00	402,500.00	64	170,000.00	225,000.00	36	515,000.00	627,500.00

Comparative Presentation of the Remuneration and Income Development

The following comparative presentation shows the annual change to the remuneration received of the present and previous members of the Supervisory Board.

REMUNERATION AND INCOME DEVELOPMENT FOR MEMBERS OF THE SUPERVISORY BOARD

	Remuneration received		Change							
	2024	2023	2023 to 2024	2023 to 2024	2022 to 2023	2022 to 2023	2021 to 2022	2021 to 2022	2020 to 2021	2020 to 2021
			IN €	IN %	IN €	IN %	IN €	IN %	IN €	IN %
Current members of the Supervisory Board										
Dr. Joachim Girg	148,750.00	125,000.00	23,750	19	-	-	-	-	10,000	8
Peter Brömse	35,573.77	-	35,574	100						
Roland Chmiel	90,000.00	75,000.00	15,000	20	3,945	5	6,054.80	9	-	-
Sven Hansen	72,500.00	60,000.00	12,500	21	-	-	-	-	10,000	17
Dr. Rolf Schwedhelm	78,750.00	65,000.00	13,750	21	-	-	-	-	20,000	30
Dr. Hartmut Schütter	24,426.23	50,000.00	-25,574	-51	-	-	-	-	-	-
Sabine Dietrich	60,000.00	50,000.00	10,000		-	-	-	-	-	-
Patrick Ewels	35,000.00	30,000.00	5,000	17	11,836	65	18,164	100	-	-
Thomas Merting	35,000.00	30,000.00	5,000	17	11,836	65	18,164	100	-	-
Dominik Franz	35,000.00	30,000.00	5,000	17	11,836	65	18,164	100	-	-
Previous members of the Supervisory Board										
Reinhold Grothus	-	-	-	-	-11,836	-100	-18,164	-100	-	-
Holger Hoff	-	-	-	-	-15,781	-100	-24,201	-39	10,000	25
Harald Januszewski	-	-	-	-	-11,836	-100	-18,164	-100	-	-
Managerial staff										
Global (In € thousand)	286	279	7	2	19	7	4	1	22	9
Employees										
Global (In € thousand)	64	61	3	5	2	3	0	0	3	5
Income development										
Group annual results (€ million)	11.1	10.6	0.5	18	-32.1	-75	-7.6	6	76.7	237

Report of the Independent Auditor on the Audit of the Remuneration Report pursuant to Section 162 Paragraph 3 (AktG)

To the H&R GmbH & Co. KGaA

Opinion

We have formally audited the remuneration report of H&R GmbH & Co. KGaA, Salzbergen, for the financial year from 1 January 2024 to 31 December 2024 to determine whether the disclosures pursuant to section 162 paragraph 1 and 2 German Stock Corporations Act [Aktiengesetz - AktG] have been made in the remuneration report. In accordance with section 162 paragraph 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the disclosures required by section 162 paragraph 1 and 2 AktG have been made in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

Basis for the Opinion

We conducted our audit of the remuneration report in accordance with section 162 paragraph 3 AktG and IDW [Institut der Wirtschaftsprüfer e.V.: Institute of Public Auditors in Germany] Auditing Standard “The formal audit of the remuneration report in accordance with section 162 paragraph 3 AktG” (IDW AuS 870 (09.2023)). Our responsibility under this provision and this standard is further described in the “Auditor’s Responsibilities” section of our auditor’s report. As an audit firm, we have applied the IDW Standard on Quality Management “Requirements for Quality Management in the Audit Firm” (IDW QMS 1 (09.2022)). We have complied with the professional responsibilities according to the Public Accountant Act [Wirtschaftsprüferordnung] and the German Professional Charter for Public Auditors/Sworn Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer] including independence requirements.

Responsibility of the Executive Directors of the General Partner and the Supervisory Board

The executive directors of the general partner and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of section 162 AktG. They are

also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor’s Responsibilities

Our objective is to obtain reasonable assurance about whether the disclosures required by section 162 paragraph 1 and 2 AktG are made in all material respects in the remuneration report and to express an opinion thereon in a report.

We planned and performed our audit so as to determine – by comparing the disclosures made in the remuneration report with the disclosures required by section 162 paragraph 1 and 2 AktG – the formal completeness of the remuneration report. In accordance with section 162 paragraph 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Consideration of Misleading Disclosures

In connection with our audit, our responsibility is to read the remuneration report, taking into account the knowledge obtained in the audit of the financial statements, and, in doing so, to remain alert for indications that the remuneration report contains misleading disclosures in relation to accuracy of the content of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

If, based on the work we have performed, we conclude that there are such misleading disclosures, we are required to report that fact. We have nothing to report in this regard.

Hamburg, 4. April 2025

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Senger
Wirtschaftsprüfer
[German Public Auditor]

Pritsch
Wirtschaftsprüfer
[German Public Auditor]



**H&R GmbH & Co. KGaA
Neuenkirchener Straße 8
48499 Salzbergen
Germany**

**Phone: +49 (0)59 76-9 45-0
Fax: +49 (0)59 76-9 45-308**

**E-mail: info@hur.com
Website: www.hur.com**