

# **Principles of remuneration of the Board of Directors (company management) of Logwin AG**

*- non-binding translation of the German original version -*

**Grevenmacher, 11 March 2024**

## PRINCIPLES FOR THE REMUNERATION OF COMPANY MANAGEMENT

This Remuneration Policy was produced in accordance with article 7bis of the revised law of 24 May 2011 pertaining to the exercise of certain rights held by shareholders in companies listed on the stock exchange. It contains the principles for the remuneration of Logwin AG company management and details the sum and structure of the income of its members.

**Objective** The objective of the remuneration system for the Board of Directors, as well as for all management staff at the Logwin Group, is to provide them with compensation appropriate to their activity and area of responsibility and in accordance with legal requirements.

The criteria for determining the appropriateness of the remuneration of the Board of Directors consist of the duties performed by the respective member of the Board of Directors, their individual performance, the economic conditions and the future perspectives of the company, as well as the customary level of remuneration in comparison with the competition.

**Classification of Board of Directors' Remuneration** Logwin AG's remuneration system for members of the Board of Directors distinguishes between executive and non-executive members. The structure of the annual target income and the calculation of the variable remuneration components conforms in principle to the remuneration structure of Logwin Group employees with performance-related pay.

**Agreements with the executive members of the Board of Directors** Logwin AG or other associated companies make fixed-term contracts with the executive members of the Board of Directors with terms of between three and five years. The Appointment and Remuneration Committee of the Board of Directors is responsible for the conclusion and extension of such contracts. In the event of a premature termination of employment, no exceptional provisions are stipulated in the contract.

**Remuneration components** Remuneration for the executive members of the Board of Directors comprises of a basic remuneration and variable components, which together are agreed contractually as the "annual target income". The annual target income includes all activities within the Logwin Group. There is no separate remuneration for the performance of tasks in subsidiaries.

The **basic remuneration** is an annual fixed payment based on the area of responsibility of the individual member of the Board of Directors and paid monthly in twelve equal instalments. It comprises between 50% and 60% of the annual target income. In addition, mem-

bers of the Board of Directors receive additional benefits in the form of non-cash remuneration, which essentially consist of the option to use their company vehicle also for private purposes, as well as insurance services, including pension provision. The pension scheme is structured as a defined contribution plan via an external provident fund with matching reinsurance, and with a guaranteed annual contribution. The pension services provided include a retirement pension, a surviving dependant's pension and disability benefits.

The **variable remuneration**, which makes up between 40% and 50% of the annual target income in the event of a 100% target achievement, is divided into one short-term and one long-term component. The variant component is limited to a maximum target achievement of 200%. The basis for calculating the variable remuneration components are performance targets determined annually by the Appointment and Remuneration Committee of which 80% comprise the key financial figures “net result” and “free cash flow”.

In addition, 20% of the short-term variable remuneration consists of a personal component, which is calculated according to members of the Board of Directors' personal targets based on strategic planning and management tasks.

The **long-term variable remuneration** is exclusively dependent upon reaching long-term financial key figures, which are a combination of annual “net income” and “ROCE” (Return on Capital Employed). The long-term variable remuneration is determined for a multi-year assessment period.

The attainment of targets for short-term variable remuneration and the key financial figures for long-term variable remuneration are established annually by the Board of Directors based on the consolidated financial statement determined by the Annual General Meeting. Neither deferral nor reclaim is possible for either the short-term or long-term variable remuneration components.

The Remuneration Policy thereby promotes the attainment of both short-term and long-term strategic targets at the company.

**Non-executive Members** The Annual General Meeting determines the amount and structure of the annual remuneration of non-executive directors.

**Organisational responsibility for the determination and monitoring of Remuneration Policy** Setting and monitoring the remuneration of the executive directors, as well as addressing possible conflicts of interest, are handled according to Articles of Association by the Appointments and Remuneration Committee. The remuneration received by non-executive members of the Board of Directors is decided by the Annual General Meeting.