

LEIFHEIT

AKTIENGESELLSCHAFT

SCALING UP SUCCESS

LEIFHEIT



Invitation to the virtual Annual General Meeting

25 May 2022

English translation, the German version
is the only legally binding version.

**Disclosures in accordance with section 125 German stock corporation act (AktG)
in conjunction with article 4 and table 3 of the Implementing Regulation (EU) 2018/1212 (EU-IR)**

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| A. Specification of the message | |
| 1. Unique identifier of the event | Virtual Annual General Meeting of Leifheit Aktiengesellschaft 2022 in format according to EU-IR: GMETLEI0522 |
| 2. Type of message | Invitation of the Annual General Meeting in format according to EU-IR: NEWM |
| B. Specification of the issuer | |
| 1. ISIN | DE0006464506 |
| 2. Name of Issuer | Leifheit Aktiengesellschaft |
| C. Specification of the meeting | |
| 1. Date of the meeting | 25 May 2022 in format according to EU-IR: 20220525 |
| 2. Time of the meeting | 11:00 a.m. (CEST) in format according to EU-IR: 09:00 a.m. UTC |
| 3. Type of the meeting | Annual General Meeting as a virtual meeting without the physical presence of shareholders or their proxies in format according to EU-IR: GMET |
| 4. Location of the meeting | URL to the password-protected virtual venue: hv.leifheit-group.com; agm.leifheit-group.com Location of the Annual General Meeting as defined by the AktG: Deutsche Nationalbibliothek, Adickesallee 1, 60322 Frankfurt/Main, Germany |
| 5. Record Date | Beginning of day 4 May 2022 (00:00 CEST) in format according to EU-IR: 20220503 |
| 6. Uniform Resource Locator (URL) | hv.leifheit-group.com; agm.leifheit-group.com |

Summary agenda

1. Presentation of the adopted annual financial statements of Leifheit AG, the approved consolidated financial statements, the combined management report of Leifheit AG and the Group, including the explanatory report of the Board of Management on the disclosures required according to sections 289a and 315a of the German commercial code (HGB), as well as the report of the Supervisory Board, each for financial year 2021
2. Appropriation of the balance sheet profit
3. Approval of the actions of the Board of Management members for financial year 2021
4. Approval of the actions of the Supervisory Board members for financial year 2021
5. Election of an auditor for the annual financial statements and the consolidated financial statements for financial year 2022, as well as the auditor on the possible review of interim reports
6. Approval of the remuneration report for the financial year 2021
7. Approval of the remuneration system for the Board of Management members
8. Resolution on the creation of 2022 authorised capital and a corresponding amendment to the articles of incorporation



AKTIENGESELLSCHAFT

Stock corporation under German law with headquarters in Nassau/Lahn, Germany,
ISIN DE0006464506

Invitation to the virtual Annual General Meeting 2022

Dear shareholders,

We hereby invite you to attend our

Annual General Meeting on Wednesday, 25 May 2022 at 11:00 a.m. (CEST),

as a virtual AGM without the physical presence of shareholders or their proxies (except for the proxies of the company). The entire Annual General Meeting will be broadcast live in video and audio form via the AGM portal on the internet at

agm.leifheit-group.com

for shareholders who have registered in due form and time and their proxies. Voting rights may be exercised exclusively by postal vote or by the granting of power of attorney to the proxies designated by the company. The location of the Annual General Meeting as defined by the German stock corporation act (AktG) is Deutsche Nationalbibliothek, Adickesallee 1, 60322 Frankfurt/Main, Germany.

I. AGENDA

1. Presentation of the adopted annual financial statements of Leifheit AG, the approved consolidated financial statements, the combined management report of Leifheit AG and the Group, including the explanatory report of the Board of Management on the disclosures required according to sections 289a and 315a of the German commercial code (HGB), as well as the report of the Supervisory Board, each for financial year 2021

The Supervisory Board approved the annual financial statements and the consolidated financial statements prepared by the Board of Management according to sections 172 and 173 of the German stock corporation act (AktG) on 25 March 2022, thereby adopting the annual financial statements. As a result, this item on the agenda does not require a resolution by the Annual General Meeting. The annual financial statements, consolidated financial statements and combined management report including the Board of Management's explanatory report on the disclosures according to sections 289a and 315a HGB and the Supervisory Board report can be seen online at **agm.leifheit-group.com**.

2. Appropriation of the balance sheet profit

The Board of Management and the Supervisory Board propose appropriating the Leifheit AG balance sheet profit of € 10,000,000.00 for financial year 2021 as follows:

| | |
|---|----------------|
| Payment of a dividend of € 1.05 per eligible no-par-value bearer share (ISIN DE0006464506) for financial year 2021 | € 9,991,068.15 |
| Retained earnings | € 8,931.85 |

The proposal for the appropriation of the balance sheet profit includes the 484,697 Leifheit AG treasury shares that were held by the Group at the time of the convocation either directly or indirectly and that are not eligible to receive dividends. Should the number of no-par-value bearer shares which are eligible to receive dividends for financial year 2021 change in the period up to the Annual General Meeting, a correspondingly adapted draft resolution will be put to the vote, with the same dividend amount of € 1.05 per no-par-value bearer share entitled to dividends and a correspondingly adjusted total amount for distribution and retained earnings.

3. Approval of the actions of the Board of Management members for financial year 2021

The Board of Management and the Supervisory Board propose approving the actions of Board of Management members acting during financial year 2021.

4. Approval of the actions of the Supervisory Board members for financial year 2021

The Board of Management and the Supervisory Board propose approving the actions of Supervisory Board members acting during financial year 2021.

5. Election of an auditor for the annual financial statements and the consolidated financial statements for financial year 2022, as well as the auditor on the possible review of interim reports

The Supervisory Board proposes – based on the recommendation of its Audit Committee – that KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, Germany, be appointed as auditor of the annual financial statements and the consolidated financial statements for financial year 2022 and as auditor for a possible audit review of interim reports for financial year 2022 and for a possible audit review of interim reports for financial year 2023 prepared before the Annual General Meeting 2023.

6. Approval of the remuneration report for financial year 2021

According to section 162 AktG, the Board of Management and Supervisory Board must prepare a remuneration report and submit it to the Annual General Meeting for approval in accordance with section 120a para. 4 AktG.

The auditor has reviewed the remuneration report in accordance with section 162 para. 3 AktG in order to ascertain whether the disclosures required under section 162 paras. 1 and 2 AktG have been made and has issued an audit opinion. The remuneration report, along with the opinion on the audit of the remuneration report, is reproduced following the agenda under item II “Remuneration report for financial year 2021”.

The Board of Management and Supervisory Board propose approving the audited remuneration report prepared in accordance with section 162 AktG for financial year 2021.

7. Approval of the remuneration system for Board of Management members

According to section 120a para. 1 AktG, the Annual General Meeting of a listed company shall resolve on the approval of the remuneration system for the Board of Management members presented by the Supervisory Board whenever there is a significant change, but at least every four years.

On 23 March 2022, the Supervisory Board adopted a new remuneration system for the Board of Management members, considering the regulations of section 87a para. 1 AktG. This remuneration system is reproduced following the agenda under item III “Remuneration system for Board of Management members”. Said remuneration system includes material changes compared to the remuneration system for the members of the Board of Management that was approved by the Annual General Meeting of 2 June 2021. The resolution must therefore be approved by the Annual General Meeting.

The Supervisory Board proposes – based on the recommendation of its Personnel Committee – that the remuneration system for the Board of Management members reproduced after the agenda under item III “Remuneration system for Board of Management members” be approved.

8. Resolution on the creation of 2022 authorised capital and a corresponding amendment to the articles of incorporation

In art. 4 para. 3, the articles of incorporation provide for authorised capital that will expire on 23 May 2022. New authorised capital is to be created to keep the company capable of covering its financing needs quickly and flexibly in future. The option of excluding subscription rights in the case of increases in capital in exchange for cash and non-cash contributions is to be limited to a total of 20% of the share capital.

The Board of Management and the Supervisory Board propose resolving as follows:

- a) The Board of Management is authorised, subject to the approval of the Supervisory Board, to increase the share capital on one or more occasions, in one or several tranches, by a total of up to € 6,000,000.00 until 24 May 2027 by issuing up to 2,000,000 new no-par-value bearer shares in exchange for cash and/or non-cash contributions (2022 authorised capital).

As a rule, the new shares must be offered to shareholders for subscription; they can also be issued to credit institutions or a company operating pursuant to section 53 para. 1, sentence 1 or section 53b para. 1, sentence 1 or para. 7 of the German banking act (KWG) with the requirement that they offer them to the shareholders for subscription. However, with the approval of the Supervisory Board, the Board of Management is authorised to exclude shareholders' statutory subscription rights in the following circumstances:

- for fractional amounts;
- if the shares are issued in exchange for cash contributions at a price that is not materially lower than the market price of the company's already listed shares at the time the Board of Management sets the issue price;
- if the capital increase occurs for the purpose of acquiring companies, parts of companies or stakes in companies, or other assets eligible for contribution, or occurs within the scope of company mergers in exchange for non-cash contributions;

- in order issue a scrip dividend, as part of which shareholders are offered the opportunity to contribute their dividend claim to the company (both partially and optionally) as a non-cash contribution in exchange for the granting of new shares from the 2022 authorised capital.

The total shares issued on the basis of all aforementioned authorisations under exclusion of shareholders' subscription rights for capital increases against cash and/or non-cash contributions may not exceed 10% of the share capital on the date on which the authorisation is entered in the commercial register or, if lower, 10% of the company's existing share capital (10% threshold) on the issue date of the new shares. Treasury shares sold up until the issue of the new shares without subscription rights are to be included in the 10% threshold.

With the approval of the Supervisory Board, the Board of Management is responsible for deciding on the further conditions of the share issue, including the amount to be issued and the details of the share rights.

- b) Art. 4 para. 3 of the articles of incorporation will be reworded as follows:

"The Board of Management is authorised, subject to the approval of the Supervisory Board, to increase the share capital on one or more occasions, in one or several tranches, by a total of up to € 6,000,000.00 until 24 May 2027 by issuing up to 2,000,000 new no-par-value bearer shares in exchange for cash and/or non-cash contributions (2022 authorised capital).

As a rule, the new shares must be offered to shareholders for subscription; they can also be issued to credit institutions or a company operating pursuant to section 53 para. 1, sentence 1 or section 53b para. 1, sentence 1 or para. 7 of the German banking act (KWG) with the requirement that they offer them to the shareholders for subscription. However, with the approval of the Supervisory Board, the Board of Management is authorised to exclude shareholders' statutory subscription rights in the following circumstances:

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- if the capital increase occurs for the purpose of acquiring companies, parts of companies or stakes in companies, or other assets eligible for contribution, or occurs within the scope of company mergers in exchange for non-cash contributions;
- in order issue a scrip dividend, as part of which shareholders are offered the opportunity to contribute their dividend claim to the company (both partially and optionally) as a non-cash contribution in exchange for the granting of new shares from the 2022 authorised capital.

The total shares issued on the basis of all aforementioned authorisations under exclusion of shareholders' subscription rights for capital increases against cash and/or non-cash contributions may not exceed 10% of the share capital on the date on which the authorisation is entered in the commercial register or, if lower, 10% of the company's existing share capital (10% threshold) on the issue date of the new shares. Treasury shares sold up until the issue of the new shares without subscription rights are to be included in the 10% threshold.

With the approval of the Supervisory Board, the Board of Management is responsible for deciding on the further conditions of the share issue, including the amount to be issued and the details of the share rights."

- c) The Supervisory Board is authorised to adjust the wording of the articles of incorporation to reflect the amount of capital created using authorised capital or after the authorisation deadline has expired.

II. REMUNERATION REPORT FOR FINANCIAL YEAR 2021

Under agenda item 6, the Board of Management and Supervisory Board propose approving the remuneration report for financial year 2021, which is reproduced below. As part of this invitation, it is available online at [agm.leifheit-group.com](https://www.leifheit-group.com/agm) and will be available for inspection during the Annual General Meeting.

The Board of Management and Supervisory Board of Leifheit AG report clearly and transparently on the remuneration granted and owed to the members of the Board of Management and the Supervisory Board in financial year 2021 in accordance with section 162 of the German stock corporation act (AktG). The remuneration report was audited by the auditor. The audit opinion can be found at the end of this report. This remuneration report will be presented to the Annual General Meeting for approval on 25 May 2022. Detailed information on the Board of Management and Supervisory Board remuneration systems as well as the remuneration report pursuant to the AktG and the auditor's opinion pursuant to section 162 para. 3 sentence 3 of the German commercial code (HGB) will be published on the company website at [corporate-governance.leifheit-group.com](https://www.leifheit-group.com/corporate-governance).

This report contains additional key financial figures that are not specific in relevant accounting frameworks and are or can be regarded as alternative performance indicators. These additional key financial figures should not be taken in isolation with regard to the assessment of the net assets, financial position and results of operations of Leifheit or regarded as an alternative to the key financial figures presented in the consolidated financial statements in accordance with relevant accounting frameworks. Other companies that present or report alternative performance indicators with a similar name may calculate them differently. Explanations of the key financial figures used can be found in the combined management report in the annual report 2021. To improve readability, only male nouns and pronouns are used in this report to represent all genders.

Minor differences may occur when using rounded amounts and percentages due to commercial rounding. This is the English translation of the remuneration report. In the event of any discrepancies between this translation and the German version, the German version will take precedence.

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1. Remuneration of members of the Board of Management

1.1 Application of the remuneration system

Following corresponding discussions and deliberations, in its meeting on 23 March 2021 the Supervisory Board resolved the system of remuneration for the members of the Board of Management of Leifheit AG in accordance with the requirements of section 87a para. 1 AktG in consideration of the recommendations of the German corporate governance code (DCGK) as amended as at 16 December 2019. Regarding the recommendations of the DCGK, please refer to the declaration of conformity, which is published on the company's website at [corporate-governance.leifheit-group.com](https://www.leifheit-group.com/corporate-governance).

The system of remuneration for members of the Board of Management, as presented by the Supervisory Board of Leifheit AG based on the recommendations of its Personnel Committee, was approved by the Annual General Meeting on 2 June 2021. It applies to all new Board of Management contracts concluded after the 2021 Annual General Meeting and all existing Board of Management contracts extended after the 2021 Annual General Meeting. The Board of Management contracts applying in financial year 2021 were all concluded prior to the 2021 Annual General Meeting. The remuneration system applied in financial year 2021 for the contracts of incumbent members of the Board of Management was described in detail in the annual financial report 2020, which is also publicly available online at [financial-reports.leifheit-group.com](https://www.leifheit-group.com/financial-reports). The current applicable long-term variable remuneration in the form of the long-term incentive (LTI) was agreed effective as at 1 January 2019. In terms of the remaining Board of Management contracts of current members of the Leifheit AG Board of Management, the terms and conditions agreed in these contracts will continue to apply until the intended contract end date.

1.2 Overview of the remuneration system

The remuneration system of Leifheit AG is geared as a whole to sustainable corporate development and is closely aligned with the business strategy. It provides clear performance incentives both for the individual members of the Board of Management and for the Board of Management as a whole through substantial yet differentiated variable remuneration, without creating undue risks.

The remuneration system reflects the provisions of the AktG and takes the recommendations of the DCGK into account. It also considers the requirements of institutional investors and proxy advisors.

Members of the Board of Management receive a fixed basic remuneration and a variable component. The variable remuneration is divided between a short-term incentive (STI) and a long-term incentive (LTI). Within variable remuneration, the focus is on the LTI.

The remuneration system presented below applies to all Board of Management service contracts that are newly entered into or prolonged after the Annual General Meeting in 2021.

The system provides for a maximum remuneration for all members of the Board of Management. The maximum amount is set out in their respective contracts of employment. The maximum total remuneration is limited by means of an end-to-end definition of all remuneration components in the employment contracts and a cap on the two variable components. The short-term incentive (STI) is limited to a maximum of 150% of the target amount stipulated in the contract of employment. The long-term incentive (LTI) is limited to a maximum of 200% of the target amount stipulated in the contract of employment.

In detail, the (theoretical) annual maximum remuneration for the members of the Board of Management amounts to:

- | | | |
|---|--|--------------|
| - | Chairperson of the Board of Management | m€ 2.0 gross |
| - | Other members of the Board of Management | m€ 1.5 gross |

The remuneration of the members of the Board of Management is aligned with the business strategy and long-term development of Leifheit AG through a fixed basic remuneration and a substantial variable remuneration; variable remuneration is in turn based on financial and non-financial targets appropriate for Leifheit AG, with an emphasis on long-term key performance indicators.

Using the respective budget approved by the Supervisory Board as a starting point, the short-term incentive (STI) helps to promote the growth of Leifheit AG and secure its liquidity by defining financial performance targets. The non-financial performance targets set in advance in annual target agreements serve to encourage the individual performance of each Board of Management member and the collective performance of the Board of Management as a whole, as well as stakeholder targets and other relevant goals.

The long-term incentive (LTI) helps to promote the business strategy, particularly the long-term development of Leifheit AG, by measuring corporate success against the two performance targets of EPS growth and ROCE, based in each case on medium-term planning approved by the Supervisory Board. Using and combining these two internal key performance indicators ensures a sustainable business strategy. Furthermore, the share price development over a four-year period is a decisive factor in establishing the amount of the LTI which also contributes to the company's sustainability and long-term development. Granting the LTI on a rolling basis (instead of all at once) also encourages the members of the Board of Management to act sustainably and creates the same incentives for all members. Furthermore, a requirement for members of the Board of Management to make a personal investment in Leifheit shares, without which the LTI is forfeited, ensures that they actively promote the business strategy and long-term development.

The overall remuneration of the Board of Management consists of three components:

1. fixed annual basic remuneration
2. short-term variable remuneration (STI)
3. long-term variable remuneration (LTI)

The fixed annual basic remuneration is based on the area of responsibility and the individual performance of each respective Board member, considering the company's situation. Of the total target remuneration (fixed basic remuneration plus target STI plus target LTI), it accounts for

- 43% to 55% for the chairperson of the Board of Management and
- 43% to 55% for the other members of the Board of Management.

Assuming 100% target attainment, the annual STI amounts to

- 12% to 20% of total target remuneration for the chairperson of the Board of Management and
- 12% to 20% of total target remuneration for the other members of the Board of Management.

Assuming 100% target attainment, the annually granted LTI tranches, extending over a period of four years each, account for

- 33% to 40% of total target remuneration for the chairperson of the Board of Management and
- 33% to 40% of total target remuneration for the other members of the Board of Management.

The members of the Board of Management do not receive remuneration for their work on the Board of Management, Administrative or Supervisory Boards at subsidiaries in addition to the remuneration for their activities as members of the Board of Management of Leifheit AG.

There are no share option programmes. There are no defined benefit obligations under IFRS.

Leifheit AG does not provide fringe benefits other than the use of a company car and the reimbursement of travel expenses.

Except for fringe benefits, the remuneration components are granted in cash.

The annual STI is based on earnings before interest and taxes (EBIT) and the sum of cash flow from operating activities and cash flow from investment activities, adjusted for incoming and outgoing payments in financial assets as well as, if existing, from the acquisition and divestiture of divisions (free cash flow), as well as on non-financial performance targets via a modifier.

The EBIT target and free cash flow target are defined in advance for the respective financial year by the Supervisory Board at its own discretion, taking into particular account the budget planning prepared annually by the Board of Management and approved by the Supervisory Board. Except for extraordinary developments, there are no subsequent changes to the target values or other parameters of comparison.

The degree of achievement regarding the two financial performance targets mentioned above is determined according to a target achievement curve defined in advance and laid down in the employment contracts. If the target value achieved falls short of the set target value by 20% or more, the degree of target achievement is 0%. If the target value achieved exceeds the set target value by more than 20%, the degree of target achievement is a maximum of 150%. Intermediate values between target achievement from 0% to 100% and from 100% to 150% are calculated on a linear basis in each case. This applies to both performance targets, i.e. both the EBIT target and the free cash flow target.

The two above-mentioned performance targets are given equal weighting.

By applying the performance targets EBIT and free cash flow, the focus is put on operating earnings while ensuring liquidity and the ability of Leifheit AG to pay dividends.

A modifier is used to apply the non-financial performance targets in the STI, particularly the respective individual performance of each member of the Board of Management, the collective performance of the Board of Management and the attainment of stakeholder targets, as well as other targets where applicable. The modifier influences the amount of the STI within a range of plus and minus 20% and is capped at the maximum target amount. A target agreement, to be concluded annually in advance, ensures that the use of the modifier is clear and comprehensible. This target agreement sets out the non-financial performance targets, their weighting and the associated measures for promoting the business strategy and long-term development of the company for each individual member of the Board of Management.

The LTI is granted to the members of the Board of Management in annual tranches, each with a term of four years, and is linked to the two ROCE and EPS criteria as reported in the respective consolidated financial statements as well as to the performance of the Leifheit AG share price.

The targets for ROCE and EPS are set in advance for each four-year performance period by the Supervisory Board at its own discretion, taking into particular account the respective medium-term planning approved by the Supervisory Board, and communicated to the members of the Board of Management. The same applies to defining the minimum ROCE and minimum EPS for target attainment as well as the maximum ROCE and EPS for the cap. Except for extraordinary developments, there are no subsequent changes to the target values or other parameters of comparison.

The degree of achievement in relation to the two financial performance targets mentioned above is determined according to a target attainment curve defined in advance and laid down in the employment contracts. If the average ROCE achieved in the respective four-year period is less than the minimum ROCE, the degree of target attainment is 0%; if it is the minimum ROCE, the target attainment is 50%; and if the average ROCE achieved in the respective four-year period is the maximum ROCE or more, this corresponds to a target attainment of 150%. Intermediate values between a target attainment of 50% to 100% and 100% to 150% are calculated on a linear basis. If EPS growth in the respective four-year period is less than

the minimum EPS, the degree of target attainment is 0%; if it is the minimum EPS, the target attainment is 50%; and if EPS growth in the respective four-year period is the maximum EPS or more, this corresponds to a target attainment of 150%. Intermediate values between a target attainment of 50% to 100% and 100% to 150% are calculated on a linear basis.

The two above-mentioned performance targets are given equal weighting, resulting in "overall target attainment" as one key indicator for calculating the payout amount for the respective LTI tranche.

The second step for calculating the payout amount for the respective LTI tranche is based on the performance of the Leifheit AG share price as follows: The performance of the Leifheit AG share is determined by the starting share price (measured over the last 90 trading days before the start of the respective performance period) and the ending share price, which is measured over the last 90 trading days before the end of the respective performance period. In this regard, the closing prices in the Xetra trading system of Deutsche Börse AG shall apply.

The LTI payout amount for each individual LTI tranche is calculated as follows: The target amount of the respective LTI tranche is converted into a number of conditionally granted virtual shares based on the starting share price. The number of virtual shares conditionally granted in this way is multiplied by the overall achievement of the ROCE and EPS targets described above, as shown in this notional example: If, for instance, 1,000 virtual shares are conditionally granted at the beginning of the respective four-year performance period of an LTI tranche and the overall achievement of target is 110%, this produces 1,100 virtual shares.

In the next step, the number of virtual shares calculated in this way (in this case, 1,100) is multiplied by the final share price.

Factoring in the share price performance over four years for each annually granted LTI tranche encourages both the individual Board members and the Board of Management as a whole to sustain their activities over the longer term. This incentive is given added weight by the fact that, in order to avoid losing the LTI, each member of the Board of Management is obliged to make a personal investment in Leifheit shares and to hold them for the duration of the LTI tranches, but for no longer than two years after the end of their contract of employment (holding period). The amount of personal investment is linked to the amount of fixed basic remuneration for each member.

In the event of extraordinary developments on the part of Leifheit AG (e.g. measures under reorganisation law, share buyback, capital measures, acquisition and/or sale of companies and businesses, leveraging of hidden reserves) that have a significant impact on the ability to achieve the target values of the STI and/or the LTI, the Supervisory Board is entitled to unilaterally adjust the contractual terms and other parameters of the STI and/or the LTI in order to neutralise the effects of the extraordinary developments in an appropriate way.

1.3 Deviations from the remuneration system

In the matters explained below, actual remuneration for 2021 under the current contracts of the members of the Board of Management deviates from the approved remuneration system of the Board of Management, as these contracts were concluded prior to the introduction of the Board of Management remuneration system.

- Maximum remuneration (H. Rinsche, I. Iraeta Munduate, M. Keul)
The remuneration system provides for maximum annual remuneration (gross) of m€ 2.0 for the chairman of the Board of Management and m€ 1.5 for other members of the Board of Management. Under their existing contracts, the chairman and other members of the Board of Management are entitled to maximum remuneration of m€ 1.5 and m€ 1.03 respectively.
- One-off remuneration (H. Rinsche)
H. Rinsche received one-off remuneration of k€ 150 for his interim position as CFO from 31 March 2020 to 30 April 2021 as well as a signing bonus of k€ 83. The signing bonus totals k€ 250 and will be paid pro rata temporis over the three-year term of the position.
- Remuneration structure (M. Keul)
The remuneration system for members of the Board of Management is structured as follows: 43-55% fixed basic salary + 12-20% short-term variable remuneration (STI) + 33-40% long-term variable remuneration (LTI). Mr Keul's current contract does not contain an LTI component for financial year 2021. His fixed remuneration is 68% of the basic salary and the STI accounts for 32%.
- STI measurement criteria (H. Rinsche, I. Iraeta Munduate, M. Keul)
The remuneration system sets the level of target attainment at 0% if the attained value falls 20% or more short of the target value. Intermediate values for target attainment between 0% and 100% are calculated on a linear basis. The Supervisory Board set the level of target attainment for financial year 2021 at 50% if the attained value falls 20% or more short of the target value. Intermediate values for target attainment between 50% and 100% are calculated on a linear basis.

- LTI measurement criteria (M. Keul)
No LTI is agreed with Mr Keul for financial year 2021. As a result, the focus of Mr Keul's variable remuneration is STI and not LTI, which is why Mr Keul's variable remuneration in financial year 2021 was not geared towards sustainable corporate development or the development of the share price. It has been agreed with Mr Keul that he is obliged until the end of 31 December 2022 to utilise 25% of his annual STI payments to acquire Leifheit shares.

1.4 Remuneration in financial year 2021

Leifheit defines granted and owed remuneration pursuant to section 162 para. 1 sentence 1 AktG as follows: The stated remuneration contains all amounts actually received by each member of the Board of Management or Supervisory Board in the reporting period (granted remuneration) and all legally owed remuneration that has not yet been received (owed remuneration).

It is assumed that the remuneration is disclosed in the remuneration report pursuant to section 162 para. 1 sentence 2 no. 1 AktG in the financial year in which the remunerated service (in one year or over multiple years) has been completed. Short-term variable remuneration is therefore regarded as *owed remuneration*, as the underlying service has been fully completed by the respective balance sheet date. As a result, short-term variable remuneration payout amounts are stated for the reporting year even though the amounts will actually be paid after the end of the respective reporting period.

LTI does not constitute *granted* or *owed* remuneration, as its payment hinges on the attainment of the defined targets at the end of the four-year performance period. Given that the current performance period ends on 31 December 2024, any remuneration from the LTI 2021-2024 will be disclosed in the remuneration report for financial year 2024 in accordance with the above provisions.

| Granted/owed remuneration 2021 in k€ | Not-performance-related fixed remuneration | | | Performance-related variable remuneration | | | One-off remuneration | Share of one-off remuneration ¹ | Total remuneration | |
|--------------------------------------|--|-----------------|-------|---|--|--|----------------------|--|--------------------|--------------------------------|
| | Fixed remuneration | Fringe benefits | Total | Share of fixed remuneration | Short-term variable remuneration (STI) | Long-term variable remuneration (LTI) ¹ | | | | Share of variable remuneration |
| Marco Keul (2021-2024) | 167 | 10 | 177 | 72% | 70 | 0 | 28% | – | – | 247 |
| Igor Iraeta Munduate (2018-2022) | 330 | 11 | 341 | 77% | 102 | 0 | 23% | – | – | 443 |
| Henner Rinsche (2019-2025) | 425 | 11 | 436 | 53% | 153 | 0 | 18% | 233 | 28% | 822 |
| Total | 922 | 32 | 954 | | 325 | 0 | | 233 | | 1,512 |

¹ The long-term variable remuneration for financial year 2019 will be vested in 2022; for financial year 2020 will be vested in 2023; for financial year 2021 will be vested in 2024.

Former members of the Board of Management that served on the Board of Management in the past ten years were not granted or owed any remuneration in financial year 2021. Pensions amounting to k€ 535 were paid in financial year 2021 to former members of the Board of Management or their surviving dependents whose active service period was longer than 10 years ago.

There are no share option programmes and no defined benefit pension commitments. The remuneration system for the members of the Board of Management does not provide any opportunity to claim back remuneration components.

No member of the Board of Management was promised or granted any benefits from third parties. In addition, no benefits were promised for the premature or regular end to his term of service. No benefits of this nature were promised or granted to any other former member of the Board of Management.

The company maintains directors and officers (D&O) liability insurance for the members of its boards and certain employees in the Leifheit Group. The insurance is agreed or extended on an annual basis. The insurance covers personal liability in the event of any claims asserted against an insured party relating to the performance of their duties. The policy for members of the Board of Management for financial year 2021 includes an insurance excess that meets the requirements of the AktG.

The remuneration structure, consisting of the three components of fixed annual basic remuneration, short-term variable remuneration (STI) and long-term variable remuneration (LTI), is based on the fixed basic remuneration plus the STI and LTI target values. The remuneration structures for Mr Rinsche and Mr Iraeta Munduate for the year 2021 were in compliance with the remuneration system.

| k€ | Marco Keul | | | | Igor Iraeta Munduate | | | | Henner Rinsche | | | |
|--------------------|------------|-------|--------------------|---------|----------------------|-------|--------------------|---------|----------------|-------|--------------------|---------|
| | Target | Share | Range ¹ | Maximum | Target | Share | Range ¹ | Maximum | Target | Share | Range ¹ | Maximum |
| Fixed remuneration | 250 | 68% | 43-55% | 250 | 330 | 47% | 43-55% | 330 | 425 | 44% | 43-55% | 425 |
| STI | 120 | 32% | 12-20% | 180 | 120 | 17% | 12-20% | 180 | 180 | 19% | 12-20% | 270 |
| LTI | — | — | 33-40% | — | 250 | 36% | 33-40% | 500 | 350 | 37% | 33-40% | 700 |
| Total remuneration | 370 | 100% | | 1,030 | 700 | 100% | | 1,030 | 955 | 100% | | 1,500 |

¹ According to the remuneration system.

The maximum defined remuneration for the STI (150% of the contractually agreed target) was complied with for all Board of Management member contracts. The maximum defined remuneration for the LTI and total remuneration per year can only be determined once the amounts granted for the LTI have been determined following the four-year performance period at the end of 2024.

The performance criteria for the STI are Group EBIT, Group free cash flow and the modifier. Group EBIT and Group free cash flow are determined in the annual financial statements 2021. The modifier was set at 1.2 by the Supervisory Board in its meeting on 7 December 2021. The performance criteria for the LTI will only be determined following the end of the four-year performance period at the end of 2024.

The following table lists the criteria for variable remuneration and the individual weighting of each component.

| | Description of criteria for remuneration component | Relative weighting of performance criteria | Information on performance targets | | a) Measured performance and actual remuneration granted | | |
|--|--|--|---|--|---|----------|----------|
| | | | a) Minimum target attainment threshold and corresponding bonus/remuneration | a) Maximum target attainment and b) corresponding bonus/remuneration | | | |
| Marco Keul (CFO) | Group EBIT 2021 (STI) | 50% | a) | m€ 17.2 | a) m€ 25.8 | a) 84% | |
| | | | b) | 50.0% | b) 150.0% | b) k€ 35 | |
| | Group free cash flow 2021 (STI) | 50% | a) | m€ 9.6 | a) m€ 14.4 | a) 56% | |
| b) | | | 50.0% | b) 150.0% | b) k€ 23 | | |
| Individual performance 2021 ¹ (STI) | | | a) | — | a) — | a) 1.2 | |
| | | | b) | 0.8 | b) 1.2 | b) k€ 12 | |
| Igor Iraeta Munduate (COO) | Group EBIT 2021 (STI) | 50% | a) | m€ 17.2 | a) m€ 25.8 | a) 84% | |
| | | | b) | 50.0% | b) 150.0% | b) k€ 51 | |
| | Group free cash flow 2021 (STI) | 50% | a) | m€ 9.6 | a) m€ 14.4 | a) 56% | |
| | | | b) | 50.0% | b) 150.0% | b) k€ 34 | |
| | Individual performance 2021 ¹ (STI) | | | a) | — | a) — | a) 1.2 |
| | | | | b) | 0.8 | b) 1.2 | b) k€ 17 |
| | EPS 2024 compared to 2020 (LTI) | 50% | a) | 30.0% | a) 90.0% | a) — | |
| b) | | | 50.0% | b) 150.0% | b) — | | |
| Average ROCE 2021-2024 (LTI) | 50% | a) | 14.6% | a) 21.9% | a) — | | |
| | | b) | 50.0% | b) 150.0% | b) — | | |
| Henner Rinsche (CEO) | Group EBIT 2021 (STI) | 50% | a) | m€ 17.2 | a) m€ 25.8 | a) 84% | |
| | | | b) | 50.0% | b) 150.0% | b) k€ 77 | |
| | Group free cash flow 2021 (STI) | 50% | a) | m€ 9.6 | a) m€ 14.4 | a) 56% | |
| | | | b) | 50.0% | b) 150.0% | b) k€ 51 | |
| | Individual performance 2021 ¹ (STI) | | | a) | — | a) — | a) 1.2 |
| | | | | b) | 0.8 | b) 1.2 | b) k€ 25 |
| | EPS 2024 compared to 2020 (LTI) | 50% | a) | 30.0% | a) 90.0% | a) — | |
| b) | | | 50.0% | b) 150.0% | b) — | | |
| Average ROCE 2021-2024 (LTI) | 50% | a) | 14.6% | a) 21.9% | a) — | | |
| | | b) | 50.0% | b) 150.0% | b) — | | |

¹ The modifier for individual performance is applicable to the total STI and results in an STI of between 80% and 120% of the target amount.

2. Remuneration of members of the Supervisory Board

2.1 Applying the remuneration

In accordance with section 113 para. 3 AktG in the version of the Act implementing the second shareholders' rights directive (ARUG II), the Annual General Meeting of a listed company must resolve on the remuneration of members of the Supervisory Board at least once every four years as well as in the case of proposals to amend remuneration regulations.

The remuneration of Supervisory Board members is defined in article 12 of the articles of incorporation of Leifheit AG as well as by resolution of the Annual General Meeting of 29 May 2019 as item 9 of the agenda (resolution on a long-term variable remuneration for the Supervisory Board). Remuneration pursuant to art. 12 paras. 1 to 7 and paras. 9 to 11 of the articles of incorporation and the resolution of the Annual General Meeting of 29 May 2019 as item 9 of the agenda as well as art. 12 para. 8 of the articles of incorporation (maximum remuneration) was amended effective from 1 January 2020 by the Annual General Meeting of 2 June 2021.

2.2 Overview of the remuneration

Overall, the remuneration system of Leifheit AG is geared towards sustainable corporate development and is aligned with the business strategy. For the members of the Supervisory Board individually and for the Supervisory Board as a whole, it provides an incentive to perform their duties with a view to the long-term, successful development of the company.

The remuneration system reflects the provisions of the AktG and takes the recommendations of the DCGK into account.

The members of the Supervisory Board receive fixed remuneration, attendance fees and variable remuneration. The variable remuneration is divided into a short-term variable remuneration and a long-term variable remuneration component.

The remuneration system provides for a maximum remuneration for all members of the Supervisory Board. The maximum remuneration is set out in art. 12 para. 8 of the articles of incorporation and is based on the resolution of the Annual General Meeting of 29 May 2019 on agenda item 9 (resolution on long-term variable remuneration for the Supervisory Board).

In the financial years 2020 to 2022, the total annual remuneration (the sum of fixed remuneration, performance-related remuneration and attendance fees) will in future be limited to a maximum of € 150,000.00 for an ordinary member of the Supervisory Board, € 265,000.00 for the deputy chairperson of the Supervisory Board, € 170,000.00 for the chairperson of the Audit Committee and € 340,000.00 for the chairperson of the Supervisory Board. From financial year 2023, the total annual remuneration (the sum of fixed remuneration, performance-related remuneration and attendance fees) is limited to a maximum of € 80,000.00 for an ordinary member of the Supervisory Board, € 150,000.00 for the deputy chairperson of the Supervisory Board, € 100,000.00 for the chairperson of the Audit Committee and € 200,000.00 for the chairperson of the Supervisory Board.

The remuneration of the members of the Supervisory Board is aligned with the business strategy and long-term development of Leifheit AG through fixed remuneration and attendance fees as well as a short-term and a long-term remuneration component, which in turn are based on financial targets that are appropriate for Leifheit AG, with an emphasis on long-term key performance indicators.

In addition to the reimbursement of their expenses and any value added tax incurred for their Supervisory Board activities, each member of the Supervisory Board receives annual fixed remuneration in the amount of € 35,000.00. The chairperson of the Supervisory Board receives € 100,000.00 and their deputy receives € 70,000.00. Inasmuch as they relate to telecommunications, postage or other office costs, expenses are reimbursed with the payment of a lump sum in the amount of € 1,000.00 per year. Each member of a committee, except the Audit Committee, receives an additional fixed remuneration of € 2,500.00; the chairperson of a committee, except for the Audit Committee, receives € 5,000.00. Each member of Audit Committee receives an additional fixed remuneration of € 5,000.00; the chairperson of the Audit Committee receives € 10,000.00.

In addition, the Supervisory Board members receive an attendance fee of € 1,500.00 for each meeting (in person, by telephone or video conference of at least two hours in duration) of the Supervisory Board and its committees in which they participate. For several meetings that take place on one day, the attendance fee is paid only once. The chairperson of the Supervisory Board and the respective chairperson of a Supervisory Board committee receive twice the meeting attendance fee in the first sentence above for participating in meetings they chair.

In addition, each Supervisory Board member receives a performance-related remuneration for their membership of the Supervisory Board during the previous financial year, provided that the earnings per share (EPS) for the period calculated in accordance with IFRS accounting principles exceeds the comparable amount of the previous financial year.

Moreover, one part of the remuneration comprises the member's theoretical per head share of a directors and officers liability insurance policy (D&O insurance) concluded on behalf of Leifheit AG at standard market conditions for the members of the Supervisory Board, the costs of which are borne by Leifheit AG.

If a member is only a member of the Supervisory Board or a Supervisory Board committee for part of a financial year, the fixed and performance-related remuneration shall only be granted pro rata temporis and the maximum remuneration shall also be reduced pro rata temporis.

Furthermore, members of the Supervisory Board are granted a long-term variable remuneration component. The participating members of the Supervisory Board receive a one-time bonus payment that depends on the degree to which certain performance targets are met over a three-year period and on the personal investment in shares of Leifheit AG made by each Supervisory Board member. The bonus payment is calculated by multiplying a multiplier by the number of shares purchased by the Supervisory Board members as their own investment by a reference price. The maximum multiplier is 1.2.

The short-term variable remuneration amounts to € 500.00 for each cent by which the earnings per share (EPS) for the period calculated in accordance with IFRS accounting principles exceeds the comparable amount of the previous financial year.

By basing remuneration on the EPS performance target, the focus is placed on earnings while ensuring the ability of Leifheit AG to pay dividends.

To receive these remuneration components, a Supervisory Board member must make a personal investment in shares of the company (personal investment shares) by 31 July 2020. Shares in Leifheit AG already held by a Supervisory Board member at the time the resolution was adopted by the Annual General Meeting on 29 May 2019 are also deemed to be personal investment shares, even if the member was not yet a member of the Supervisory Board at the time the shares were purchased. The chairperson of the Supervisory Board may participate with a personal investment of up to 10,000 shares, his or her deputy with up to 7,500 shares. The other members of the Supervisory Board may participate with a personal investment of up to 5,000 shares.

The performance targets, which must be achieved by 100% in each case to be counted, are:

- average annual growth rate in earnings per share for the period of at least 21% during the period from 1 January 2020 to the end of 31 December 2022 – "incentive period" (EPS target);
- more than 15% ROCE on average during the incentive period (ROCE target);
- average annual free cash flow growth rate of at least 15% during the incentive period (free cash flow target).

The annual growth rates are calculated based on the key performance indicators for financial year 2019 as at 31 December 2019. If, according to the audited and approved consolidated financial statements of the company as at 31 December 2019, EPS for financial year 2019 is less than € 0.65 per share, an amount of € 0.65 per share is to be used as the basis for calculating the annual growth rates for EPS.

The participating Supervisory Board members are only entitled to a bonus payment if they have achieved at least one of the performance targets by 100%. The bonus payment is calculated by multiplying a multiplier by the number of personal investment shares multiplied by the reference price.

- Full performance: If all three performance targets are achieved, the multiplier is 0.5.
- Partial performance: If only two of the three performance targets are met, the multiplier is 0.33. If only one of the three performance targets is met, the multiplier is 0.17.
- Exceeding the EPS target: If the free cash flow target and the ROCE target are achieved and the average annual growth rate of EPS during the incentive period is 21.8% or more, the multiplier is between 0.66 and 1.2, as shown in the following table:

| Average growth rate of EPS | Multiplier |
|----------------------------|------------|
| 21.8% | 0.66 |
| 23.6% | 0.83 |
| 25.3% | 1.01 |
| 26.9% | 1.20 |

The reference share price is the volume-weighted average price of the company's shares in Xetra trading or a successor system on the Frankfurt Stock Exchange during the last three months of the incentive period. If the volume-weighted average price of the company's shares in Xetra trading or any successor system on the Frankfurt Stock Exchange during the last three months of the incentive period exceeds € 35.00, the reference price shall be € 35.00. In the event of a change in the number of shares due to a stock split or a reverse stock split, the reference price for the calculation of the bonus payment shall be adjusted accordingly; for this purpose, the reference price shall be divided by the number of shares before the stock split or reverse stock split and multiplied by the number of shares after the stock split or reverse stock split. Even in the event of such an adjustment, the relevant reference price for the calculation shall not exceed € 35.00.

The Supervisory Board's responsibility for sustainable corporate development is appropriately reflected in the linking of long-term variable remuneration to EPS, ROCE and free cash flow. Furthermore, due to the long-term variable remuneration, there is an additional incentive for members of the Supervisory Board to focus their exercise of office on the long-term, successful development of the company.

2.3 Remuneration in financial year 2021

The fixed remuneration, the attendance fee and the short-term variable remuneration are regarded as *owed* remuneration, as the remunerated service has been completed in full by the respective balance sheet date. As a result, the table below lists remuneration for the reporting period even though the amounts will actually be paid out after the end of the respective reporting period.

By contrast, the LTI does not constitute *granted* or *owed* remuneration as the bonus payment hinges on the attainment of performance targets at the end of the three-year incentive phase between 2020 and 2022. Given that the incentive phase ends on 31 December 2022, any remuneration from the LTI 2020-2022 will be disclosed in the remuneration report for financial year 2022 pursuant to section 162 AktG in accordance with the above provisions.

The short-term variable remuneration target for financial year 2021 was achieved after Group earnings per share for financial year 2021 calculated according to IFRS accounting principles exceeded the amount reported in the previous financial year. Group earnings per share (EPS) for financial year 2021 amount to € 1.49, up from € 1.32 in the previous year. As a result, each Supervisory Board member received short-term variable remuneration of € 8,500.00.

The remuneration system approved by the Annual General Meeting on 2 June 2021 for the members of the Supervisory Board is fully represented in the articles of incorporation. The remuneration of the members of the Supervisory Board for financial year 2021 was determined on the basis of the requirements set out in the articles of incorporation and is therefore in accordance with the resolved remuneration system.

| Granted/owed remuneration in 2021 in k€ | Not-performance-related fixed remuneration | | | | | | Performance-related variable remuneration | | | Total remuneration | |
|---|--|---|----------------------|-------------------------------------|------------------------------|--------------|---|--|--|--------------------|--------------------------------|
| | Supervisory Board membership ¹ | Attendance fee Supervisory Board membership | Committee membership | Attendance fee Committee membership | Fringe benefits ² | Total | Share of fixed remuneration | Short-term variable remuneration (STI) | Long-term variable remuneration (LTI) ³ | | Share of variable remuneration |
| Joachim Barnert (2019-2023) | 36.0 | 15.0 | 2.5 | 1.5 | 0.1 | 55.1 | 87% | 8.5 | 0 | 13% | 63.6 |
| Dr Günter Blaschke (2019-2023) | 101.0 | 30.0 | 20.0 | 9.0 | 3.9 | 163.9 | 95% | 8.5 | 0 | 5% | 172.4 |
| Georg Hesse (2018-2023) | 36.0 | 13.5 | 7.5 | 10.5 | 0.0 | 67.5 | 89% | 8.5 | 0 | 11% | 76.0 |
| Karsten Schmidt (2019-2023) | 71.0 | 15.0 | 12.5 | 6.0 | 0.0 | 104.5 | 92% | 8.5 | 0 | 8% | 113.0 |
| Thomas Standke (2004-2023) | 36.0 | 15.0 | 2.5 | 1.5 | 0.0 | 55.0 | 87% | 8.5 | 0 | 13% | 63.5 |
| Dr Claus-O. Zacharias (2019-2023) | 36.0 | 10.5 | 12.5 | 16.5 | 0.0 | 75.5 | 90% | 8.5 | 0 | 10% | 84.0 |
| Total | 316.0 | 99.0 | 57.5 | 45.0 | 4.0 | 521.5 | | 51.0 | 0 | | 572.5 |

¹ Including expense allowance.

² Travel costs.

³ The multi-year variable remuneration for financial years 2020 to 2022 is only vested in 2022.

The performance criterion for the single-year variable remuneration is the change in the net result for the period per share (earnings per share/EPS) compared to the previous financial year. The change in EPS can be determined in the annual financial statements for 2021 and 2020.

There are no share option programmes.

The option of claiming back variable remuneration components was not utilised in the financial year as the requirements for this measure were not met.

No remuneration was granted or owed to former members of the Supervisory Board in financial year 2021.

3. Vertical comparison

The vertical comparison pursuant to section 162 para. 1 sentence 2 no. 2 AktG encompasses the development of earnings at Leifheit, the year-on-year change in the remuneration of the members of the Board of Management and of the Supervisory Board and the year-on-year change in the average remuneration of employees on a full-time-equivalent basis.

| Total remuneration, Change ¹ | 2017 vs 2016 | | 2018 vs 2017 | | 2019 vs 2018 | | 2020 vs 2019 | | 2021 vs 2020 | |
|--|--------------|--------|--------------|------|--------------|--------|--------------|-------|--------------|------|
| Board of Management remuneration | | | | | | | | | | |
| Marco Keul (CFO) since May 2021 | — | | — | | — | | — | | k€ 247 | n/a |
| Igor Iraeta Munduate (COO) since November 2018 | — | | k€ 82 | n/a | k€ 499 | 509% | k€ 433 | -13% | k€ 443 | 2% |
| Henner Rinsche (CEO) since June 2019 | — | | — | | k€ 486 | n/a | k€ 651 | 34% | k€ 822 | 26% |
| Ivo Huhmann (CFO) April 2017 - March 2020 | k€ 326 | n/a | k€ 389 | 19% | k€ 672 | 73% | k€ 113 | -83% | — | |
| Ansgar Lengeling (COO) November 2016 - April 2018 | k€ 405 | 1,127% | k€ 121 | -70% | — | | — | | — | |
| Thomas Radke (CEO) January 2014 - October 2018 | k€ 557 | -88% | k€ 398 | -29% | — | | — | | — | |
| Dr Claus-O. Zacharias (CFO) December 2008 - May 2017 | k€ 2,444 | 375% | — | | — | | — | | — | |
| Supervisory Board remuneration | | | | | | | | | | |
| Joachim Barnert (Member) since May 2019 | — | | — | | k€ 34.6 | n/a | k€ 80.0 | 131% | k€ 63.6 | -20% |
| Dr Günter Blaschke (Chairman) Since April 2019 | — | | — | | k€ 106.1 | n/a | k€ 186.4 | 76% | k€ 172.4 | -8% |
| Georg Hesse (Member) since May 2018 | — | | k€ 26.1 | n/a | k€ 59.3 | 127% | k€ 80.0 | 35% | k€ 76.0 | -5% |
| Karsten Schmidt (Deputy chairman) since May 2019, formerly January 2007 - January 2018 | k€ 53.8 | 23% | k€ 3.4 | -94% | k€ 64.5 | 1,799% | k€ 133.7 | 107% | k€ 113.0 | -15% |
| Thomas Standke (Member) since May 2004 | k€ 32.5 | 0% | k€ 33.5 | 3% | k€ 42.3 | 26% | k€ 80.0 | 89% | k€ 63.5 | -21% |
| Dr Claus-O. Zacharias (Member) since May 2019 | — | | — | | k€ 46.3 | n/a | k€ 100.0 | 116% | k€ 84.0 | -17% |
| Ulli Gritzuhn (Member) February 2016 - March 2019 | k€ 32.5 | -9% | k€ 66.9 | 106% | k€ 19.1 | -71% | — | | — | |
| Baldur Groß (Member) May 2014 - May 2019 | k€ 32.5 | 0% | k€ 34.0 | 5% | k€ 11.3 | -67% | — | | — | |
| Sonja Wärntges (Member) February 2016 - February 2019 | k€ 42.5 | 5% | k€ 55.2 | 30% | k€ 5.2 | -91% | — | | — | |
| Helmut Zahn (Chairman) April 2001 - March 2019 | k€ 102.5 | -13% | k€ 129.3 | 26% | k€ 33.1 | -74% | — | | — | |
| Company performance ² | | | | | | | | | | |
| Group EBIT | k€ 18,840 | -15% | k€ 13,056 | -31% | k€ 9,876 | -24% | k€ 18,783 | 90% | k€ 20,071 | 7% |
| Group free cash flow | k€ 1,494 | -90% | k€ 3,695 | 147% | k€ 10,053 | 172% | k€ -5,547 | -155% | k€ 9,559 | 272% |
| Group earnings per share (EPS) | € 1.35 | -12% | € 0.88 | -35% | € 0.61 | -31% | € 1.32 | 116% | € 1.49 | 13% |
| Net income Leifheit AG | k€ 3,949 | -70% | k€ 10,269 | 160% | k€ 7,945 | -23% | k€ 7,630 | -4% | k€ 4,349 | -43% |
| Operating result Leifheit AG | k€ 10,851 | -41% | k€ 10,124 | -7% | k€ 7,948 | -21% | k€ 13,964 | 76% | k€ 15,181 | 9% |
| Average employee remuneration | | | | | | | | | | |
| Company employees – Leifheit AG employees ³ | — | | — | | — | | k€ 63.9 | 6% | k€ 62.1 | -3% |

¹ Percentage changes in the first and last year of contract are only comparable to a limited extent, as the figures do not cover a full calendar year.

² Group key performance indicators according to IFRS accounting standards, Leifheit AG KPIs according to the German commercial code (HGB).

³ Based on the reference figure of all employees according to German commercial law requirements on a full-time-equivalent basis.

Earnings development is presented using the performance indicators Group EBIT, Group free cash flow and Group earnings per share (EPS) for the Leifheit Group – each reported according to IFRS – as well as on the basis of the net income and operating result of Leifheit AG reported according to the German commercial code (HGB).

Independent auditor's assurance report on examination of the remuneration report pursuant to section 162 (3) AktG

To Leifheit Aktiengesellschaft, Nassau/Lahn,

Opinion

We have formally examined the remuneration report of Leifheit Aktiengesellschaft, Nassau/Lahn, for the financial year from January 1st to December 31st, 2021 to determine whether the disclosures pursuant to section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with section 162 (3) AktG, we have not examined the content of the remuneration report.

In our opinion, the accompanying remuneration report complies, in all material respects, with the disclosure requirements pursuant to section 162 (1) and (2) AktG. Our opinion does not cover the content of the remuneration report.

Basis for opinion

We conducted our examination of the remuneration report in compliance with section 162 (3) AktG taking into account the *IDW assurance standard: Examination of the remuneration report pursuant to section 162 (3) AktG (IDW AsS 870 (08.2021))*. Our responsibilities under this regulation and this standard are further described in the "Our Responsibilities" section of our assurance report. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1). We have complied with our professional duties pursuant to the German Public Accountants Act [WPO] and the Professional Charter for Auditors/Chartered Accountants [BS WP/vBP], including the independence requirements.

Responsibilities of the Management Board and the Supervisory Board

The management and the Supervisory Board of Leifheit Aktiengesellschaft, Nassau/Lahn, are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Our responsibilities

Our objectives are to obtain reasonable assurance about whether the remuneration report complies, in all material respects, with the disclosure requirements pursuant to section 162 (1) and (2) AktG, and to issue an assurance report that includes our opinion.

We planned and performed our examination to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by section 162 (1) and (2) AktG. In accordance with section 162 (3) AktG, we have not examined whether the disclosures are correct or individual disclosures are complete or whether the remuneration report is fairly presented.

Frankfurt/Main, 25 March 2022

KPMG AG Wirtschaftsprüfungsgesellschaft

Original German version signed by

| | |
|-------------------------|-------------------------|
| gez. Hergarten | gez. Eifert |
| Wirtschaftsprüfer | Wirtschaftsprüfer |
| (German Public Auditor) | (German Public Auditor) |

III. REMUNERATION SYSTEM FOR BOARD OF MANAGEMENT MEMBERS

Under agenda item 7, the Supervisory Board proposes – based on the recommendation of its Personnel Committee – approving the following remuneration system for the members of the Board of Management. As part of this invitation it is available online at agm.leifheit-group.com and will be available for inspection during the Annual General Meeting.

1. Guiding principles

The remuneration system of Leifheit AG is geared as a whole to sustainable corporate development and is closely aligned with the business strategy. It provides clear performance incentives both for the individual members of the Board of Management and for the Board as a whole through substantial yet differentiated variable remuneration, without creating undue risks.

The remuneration system reflects the provisions of the German stock corporation act and takes the recommendations of the German corporate governance code into account. It also considers the requirements of institutional investors and proxy advisors.

Members of the Board of Management receive a fixed basic remuneration and a variable component. The variable remuneration is divided between a short-term incentive (STI) and a long-term incentive (LTI). Within variable remuneration, the focus is on the LTI.

The remuneration system presented below applies to all remuneration decisions that the Supervisory Board will make after the 2022 Annual General Meeting, in particular concerning the conclusion, amendment and extension of the employment contracts of Board of Management members.

2. Maximum remuneration

The system provides a maximum remuneration for all members of the Board of Management. The maximum amount is set out in their respective contracts of employment.

The maximum total remuneration is limited by means of an end-to-end definition of all remuneration components in the employment contracts and a cap on the two variable components. The short-term incentive (STI) is limited to a maximum of 150% of the target amount stipulated in the contract of employment. The long-term incentive (LTI) is limited to a maximum of 200% of the target amount stipulated in the contract of employment.

In detail, the (theoretical) annual maximum remuneration for the members of the Board of Management amounts to:

- Chairperson of the Board of Management m€ 2.0 gross
- Other members of the Board of Management m€ 1.5 gross

A one-time exception from the aforementioned (theoretical) annual maximum remuneration for the members of the Board of Management applies with regard to the remuneration to be granted in 2025 and paid in 2026 on account of the shortening of the term of the annual LTI tranches. This amended remuneration system for the members of the Board of Management shortens the term for the annual LTI tranches from four to three years in comparison with the provisions of the previous remuneration system as resolved by the Supervisory Board on 5 April 2021 and approved by the Annual General Meeting on 2 June 2021 (see section 5.b below). Accordingly, the LTI tranche with a four-year term for 2022 and the LTI tranche with a three-year term for 2023 will be granted in 2025 (provided the other conditions are met). This justifies granting remuneration in 2025 that may exceed the aforementioned maximum values. The maximum remuneration to be granted in 2025 and to be paid in 2026 amounts to m€ 2.7 (gross) for the chairperson of the Board of Management and to m€ 2.1 (gross) for other members of the Board of Management.

3. Remuneration and business strategy

The remuneration of the members of the Board of Management is aligned with the business strategy and long-term development of Leifheit AG through a fixed basic remuneration and a substantial variable remuneration; variable remuneration is in turn based on financial and non-financial targets appropriate for Leifheit AG, with an emphasis on long-term key performance indicators.

Using the respective budget approved by the Supervisory Board as a starting point, the short-term incentive (STI) helps to promote the growth of Leifheit AG and secure its liquidity by defining financial performance targets. The non-financial performance targets set in advance in annual target agreements serve to encourage the individual performance of each Board of Management member and the collective performance of the Board of Management as a whole, as well as stakeholder targets and other relevant goals.

The long-term incentive (LTI) helps to promote the business strategy, particularly the long-term development of Leifheit AG, by measuring corporate success against the two performance targets of EPS growth and ROCE, based in each case on medium-term planning approved by the Supervisory Board. Using and combining these two internal key performance indicators ensures a sustainable business strategy. Furthermore, the share price development over a three-year period is a decisive factor in establishing the amount of the LTI, which also contributes to the company's sustainability and long-term

development. Granting the LTI on a rolling basis (instead of all at once) also encourages the members of the Board of Management to act sustainably and creates the same incentives for all members. Furthermore, a requirement for members of the Board of Management to make a personal investment in Leifheit shares, without which the LTI is forfeited, ensures that they actively promote the business strategy and long-term development.

4. Remuneration structure

The overall remuneration of the Board of Management consists of three components:

1. fixed annual basic remuneration
2. short-term variable remuneration (STI)
3. long-term variable remuneration (LTI)

The fixed annual basic remuneration is based on the area of responsibility and the individual performance of each respective Board member, considering the company's situation. Of the total target remuneration (fixed basic remuneration plus target STI plus target LTI), it accounts for

- 43% to 55% for the chairperson of the Board of Management and
- 43% to 55% for the other members of the Board of Management.

Assuming 100% target attainment, the annual STI amounts to

- 12% to 20% of total target remuneration for the chairperson of the Board of Management and
- 12% to 20% of total target remuneration for the other members of the Board of Management.

Assuming 100% target attainment, the annually granted LTI tranches, extending over a period of three years each, account for

- 33% to 40% of total target remuneration for the chairperson of the Board of Management and
- 33% to 40% of total target remuneration for the other members of the Board of Management.

The members of the Board of Management do not receive remuneration for their work on the Board of Management, Administrative or Supervisory Boards at subsidiaries in addition to the remuneration for their activities as members of the Board of Management of Leifheit AG.

There are no share option programmes. There are no defined benefit obligations under IFRS.

Leifheit AG does not provide fringe benefits other than the use of a company car, the reimbursement of travel expenses and the assumption of the employer's health and care insurance contribution. The members of the Board of Management are covered by a group accident insurance policy taken out by Leifheit AG and by a directors and officers liability insurance policy (D&O insurance) concluded at Leifheit AG's expense at the conditions defined therein in each case. With the exception of fringe benefits, the remuneration components are granted in cash.

5. Variable remuneration assessment criteria

a) STI

The annual STI is based on earnings before interest and taxes (EBIT) and the sum of cash flow from operating activities and cash flow from investment activities, adjusted for incoming and outgoing payments in financial assets as well as, if existing, from the acquisition and divestiture of divisions (free cash flow), as well as on non-financial performance targets via a modifier.

The EBIT target and free cash flow target are defined in advance for the respective financial year by the Supervisory Board at its own discretion, taking into particular account the budget planning prepared annually by the Board of Management and approved by the Supervisory Board. Except for extraordinary developments, there are no subsequent changes to the target values or other parameters of comparison.

The degree of achievement regarding the two financial performance targets mentioned above is determined according to a target achievement curve defined in advance and laid down in the employment contracts. The target attainment range for both the EBIT and free cash flow targets begins in each case from a deviation from budget of less than 20% (a deviation of 20% or more equates to a missed target) and is capped in each case from a deviation from budget of more than 20%. Intermediate values of a deviation from the EBIT target of more than minus 20% to 0% and more than 0% to plus 20% are calculated on a linear basis in each case in compliance with the target achievement curve laid down in the employment contracts.

The two above-mentioned performance targets are given equal weighting.

By applying the performance targets EBIT and free cash flow, the focus is put on operating earnings while ensuring liquidity and the ability of Leifheit AG to pay dividends.

A modifier is used to apply the non-financial performance targets in the STI, particularly the respective individual performance of each member of the Board of Management, the collective performance of the Board of Management and the attainment of stakeholder targets, as well as other targets where applicable. The modifier influences the amount of the STI within a range of plus and minus 20% and is capped at the maximum target amount. A target agreement, to be concluded annually in advance, ensures that the use of the modifier is clear and comprehensible. This target agreement sets out the non-financial performance targets, their weighting, and the associated measures for promoting the business strategy and long-term development of the company for each individual member of the Board of Management.

b) LTI

The LTI is granted to the members of the Board of Management in annual tranches, each with a term of three years, and is linked to the two ROCE and EPS criteria as reported in the respective consolidated financial statements as well as to the performance of the Leifheit AG share price. LTI tranches will be granted with a performance period of three years from 2023.

The targets for ROCE and EPS are set in advance for each three-year performance period by the Supervisory Board at its own discretion, taking into particular account the respective medium-term planning approved by the Supervisory Board, and communicated to the members of the Board of Management. The same applies to defining the minimum ROCE and minimum EPS for target attainment as well as the maximum ROCE and EPS for the cap. Except for extraordinary developments, there are no subsequent changes to the target values or other parameters of comparison.

The degree of achievement in relation to the two financial performance targets mentioned above is determined according to a target attainment curve defined in advance and laid down in the employment contract. If the average ROCE achieved in the respective three-year period is less than the minimum ROCE, the degree of target attainment is 0%; if it is the minimum ROCE, the target attainment is 50%; and if the average ROCE achieved in the respective three-year period is the maximum ROCE or more, this corresponds to a target attainment of 150%. Intermediate values between a target attainment of 50% to 100% and 100% to 150% are calculated on a linear basis. If EPS growth in the respective three-year period is less than the minimum EPS, the degree of target attainment is 0%; if it is the minimum EPS, the target attainment is 50%; and if EPS growth in the respective three-year period is the maximum EPS or more, this corresponds to a target attainment of 150%. Intermediate values between a target attainment of 50% to 100% and 100% to 150% are calculated on a linear basis.

The two above-mentioned performance targets are given equal weighting, resulting in "overall target attainment" as one key indicator for calculating the payout amount for the respective LTI tranche.

The second step for calculating the payout amount for the respective LTI tranche is based on the performance of the Leifheit AG share price as follows: The performance of the Leifheit AG share is determined by the starting share price (measured over the last 90 trading days before the start of the respective performance period) and the ending share price, which is measured over the last 90 trading days before the end of the respective performance period. In this regard, the closing prices in the Xetra trading system of Deutsche Börse AG shall apply.

The LTI payout amount for each individual LTI tranche is calculated as follows: The target amount of the respective LTI tranche is converted into a number of conditionally granted virtual shares based on the starting share price. The number of virtual shares conditionally granted in this way is multiplied by the overall achievement of the ROCE and EPS targets described above, as shown in this notional example: If, for instance, 1,000 virtual shares are conditionally granted at the beginning of the respective three-year performance period of an LTI tranche and the overall achievement of target is 110%, this produces 1,100 virtual shares.

In the next step, the number of virtual shares calculated in this way (in this case, 1,100) is multiplied by the final share price.

Factoring in the share price performance over three years for each annually granted LTI tranche encourages both the individual Board members and the Board of Management as a whole to sustain their activities over the longer term. This incentive is given added weight by the fact that, in order to avoid losing the LTI, each member of the Board of Management is obliged to make a personal investment in Leifheit shares and to hold them for the duration of the LTI tranches, but for no longer than two years after the ending of their contract of employment (holding period). The amount of personal investment is linked to the amount of fixed basic remuneration for each member.

c) Extraordinary developments

In the event of extraordinary developments on the part of Leifheit AG (e.g. measures under reorganisation law, share buyback, capital measures, acquisition and/or sale of companies and businesses, leveraging of hidden reserves) that have a significant impact on the ability to achieve the target values of the STI and/or the LTI, the Supervisory Board is entitled to unilaterally adjust the contractual terms and other parameters of the STI and/or the LTI in order to neutralise

the effects of the extraordinary developments in an appropriate way. Developments affecting the overall economy or the industry in which Leifheit AG operates are not extraordinary developments in the sense of this definition unless Leifheit AG faces particular hardships in comparison to competitors on account of unusual circumstances specific to the company.

6. Availability of variable remuneration components

The members of the Board of Management are free to do as they wish with the STI and LTI amounts paid out after their respective maturity dates.

The STI payments become due within four weeks of the Annual General Meeting's resolution on the appropriation of profits for the year for which the STI is granted. The individual LTI tranches become due four weeks after the Annual General Meeting's resolution on the appropriation of profits for the year in which the respective performance period ends.

No deferral periods are planned for the payment of variable remuneration components.

7. Forfeiture or clawback of variable remuneration components

The remuneration system allows for the forfeiture of LTI tranches which have not yet completed the respective three-year performance period at the time of termination of the appointment and/or employment contract if a "bad leaver" case arises. A bad leaver case applies if the employment contract and/or appointment are ended by Leifheit AG for good cause during their term, or if the appointment or employment contract are ended by the member of the Board of Management without good cause. Such a case also applies if the member of the Board of Management does not accept an offer to extend his/her employment contract and takes up an activity of any kind with a competitor of Leifheit AG within the term of the investment obligation without having good cause for refusing to accept.

The remuneration system does not currently allow for the reclaiming of variable remuneration already paid out (no clawback).

8. Share price dependence of parts of remuneration

As shown above in section 5 b), the share price performance plays an important role in determining the amounts paid out from the respective LTI tranches. No other share-based remuneration is included in the remuneration system of Leifheit AG.

9. No further legal transactions related to remuneration

The remuneration system does not allow for any remuneration-related legal transactions beyond the remuneration components depicted.

10. External (horizontal) and internal (vertical) comparison

The Supervisory Board considers the compensation data of comparable companies listed on the SDAX when assessing whether total remuneration is in line with market practice.

The Supervisory Board also considers employee remuneration in Germany when setting the overall remuneration. In the process, it considers the relationship between the remuneration of the Board of Management and the remuneration of the senior management team and the rest of the workforce. The Supervisory Board has defined the senior management team as follows: It consists of all employees who report directly to a member of the Board of Management.

The ratio of the total remuneration of the Board of Management to the average personnel expenditure is calculated using the average personnel expenditure based on the number of employees (not according to employee capacity).

Procedural issues and conflicts of interest

The plenary session of the Supervisory Board is responsible for setting, implementing and reviewing the remuneration system. The Personnel Committee, which the Supervisory Board has set up, paves the way for the decisions of the plenary session of the Supervisory Board by making appropriate recommendations. Where necessary, the Supervisory Board can call in external consultants – as was the case for the present remuneration system. When choosing external remuneration experts, the Supervisory Board ensures that they are independent. The Supervisory Board also takes care not to continually select the same remuneration experts.

If the Annual General Meeting does not endorse the respective remuneration presented for approval, a revised remuneration system will be presented at the next Annual General Meeting by the latest.

The Personnel Committee prepares the regular review of the remuneration system by the Supervisory Board and recommends changes where necessary. In the event of significant changes, and at least every four years, the remuneration system shall again be submitted to the Annual General Meeting for approval.

Under special and extraordinary circumstances, the Supervisory Board may, at the suggestion of the Personnel Committee, temporarily deviate from the remuneration system in accordance with section 87a para. 2 sentence 2 AktG if this is necessary for the long-term prosperity of the company. Such deviations may be necessary, for instance, to ensure adequate incentives in the event of a significant change in business strategy, a serious company crisis or severe economic crisis. Unfavourable market developments are not considered special and extraordinary circumstances that justify a deviation from the remuneration system. The extraordinary underlying circumstances requiring a deviation shall be determined by a resolution of the Supervisory Board. The components of the remuneration system from which deviation is possible comprise the procedure, regulations on the remuneration structure and amount, regulations on the financial and non-financial performance criteria and regulations on the individual remuneration components. Even in the event of a deviation from the remuneration system, the remuneration and its structure must continue to be geared to the long-term and sustainable development of the company and be proportionate to the success of the company and the performance of the Board of Management.

The regulations that apply to the handling of conflicts of interest are also observed by the Supervisory Board and the Personnel Committee in the process of determining, implementing and reviewing the remuneration system.

In the case of new contracts to be concluded where the member of the Board of Management joins during the year, the STI and LTI regulations may provide for lump-sum payments for the year of joining.

IV. REPORT OF THE BOARD OF MANAGEMENT ON AGENDA ITEM 8

In item 8 of the agenda, the Board of Management proposes creating new 2022 authorised capital. According to section 203 para. 2 in connection with section 186 para. 4 sentence 2 AktG, the Board of Management issues this report which provides reasons for authorising the exclusion of shareholders' subscription rights when issuing new shares, as planned for the new proposed authorised capital. As a component of the invitation, this report is available on the internet at agm.leifheit-group.com and will also be available for inspection during the Annual General Meeting.

The Annual General Meeting of 24 May 2017 passed a resolution to create authorised capital that authorises the Board of Management until 23 May 2022 to increase share capital by a total of up to € 15,000,000.00 by issuing up to 5,000,000 new no-par-value bearer shares on one or more occasions in exchange for cash and/or non-cash contributions, subject to the approval of the Supervisory Board. The 2017 authorised capital amounts to 50% of the share capital, which stands at € 30,000,000.00 and is divided into 10,000,000 no-par-value bearer shares. The Board of Management has not made use of this authorisation. New authorised capital with a term until 24 May 2027 is to be created to keep the company capable of covering its financing needs quickly and flexibly in future.

Apart from the 2017 authorised capital adopted by the Annual General Meeting on 24 May 2017, there is neither any further authorised capital nor any conditional capital at the time of convocation. The 2017 authorised capital will have expired by the time of the Annual General Meeting. As a result, neither authorised capital nor conditional capital will exist at said time.

The Board of Management is to be authorised to increase the share capital by up to € 6,000,000.00 by issuing up to 2,000,000 new no-par-value bearer shares (2022 authorised capital), subject to the approval of the Supervisory Board. This authorisation to issue new shares using authorised capital is intended to enable the Board of Management, subject to the approval of the Supervisory Board, to continue responding to funding requirements arising at short notice and to opportunities that present themselves to acquire companies, parts of companies or stakes in companies, or other assets eligible for contribution, or within the scope of company mergers. The intent is also to enable scrip dividends that offer optimal conditions. The option of excluding subscription rights for capital increases in exchange for cash and non-cash contributions is to be limited to a total of 10% of the share capital.

Exclusion of subscription rights for fractional amounts

As part of the authorised capital, the Board of Management is to be authorised to exclude fractional amounts from shareholders' subscription rights, subject to the approval of the Supervisory Board. It is necessary to exclude subscription rights for fractional amounts in order to arrive at a technically feasible subscription ratio. The fractional shares excluded from shareholders' subscription rights will be utilised for the company in the best way possible. Any potential dilution effect is low due to the limits placed on fractional amounts. For these reasons, the Board of Management and the Supervisory Board believe that the potential exclusion of subscription rights are objectively justified and reasonable for the shareholders.

Exclusion of subscription rights for cash capital increases according to section 186 para. 3 sentence 4 AktG

Subject to the approval of the Supervisory Board, the Board of Management will still be authorised to exclude shareholders' subscription rights in the event of a capital increase in exchange for cash contributions if the issue price of the new shares does not fall significantly short of the market price of the shares already listed at the time that the issue price is set by the Board of Management. The legal basis for this simplified exclusion of subscription rights is section 203 paras. 1 and 2 in connection with section 186 para. 3 sentence 4 AktG. Any markdown from the standard market price will not exceed 5% of the market price. The option to exclude subscription rights provided for in section 186 para. 3 sentence 4 AktG enables the company to make targeted sales of shares to investors and to achieve an issuing price that is as high as possible on the basis of market-consistent pricing, thereby strengthening equity to the greatest extent possible. Thanks to the ability to take quicker action, it is therefore usually possible to achieve a higher cash inflow to the company's benefit than it would be the case when upholding shareholders' subscription rights and offering subscription rights to all shareholders. A placement of this nature also has the potential to attract new groups of shareholders in Germany and abroad. By eliminating the time-consuming and expensive processing of subscription rights, equity requirements can also be covered quickly by harnessing market opportunities that present themselves on short notice. Section 186 para. 2 sentence 2 AktG permits subscription prices to be published as late as three days before the expiration of the subscription deadline. In light of share market volatility, however, this approach also entails a market risk – specifically a risk that the price will change over a period of several days, which can lead to reduced security when setting the subscription price and thus to conditions that are not consistent with the market.

In order to comply with the threshold for a simplified subscription right exclusion of 10% of the share capital provided for in section 186 para. 3 sentence 4 AktG, the authorisation to issue new shares from the 2022 authorised capital without subscription rights is generally limited to 10% of the company's share capital on the date on which the authorisation is entered into the commercial register or, if lower, to 10% of the company's share capital on the date on which the new shares

are issued (10% threshold; please see “Limitation to the overall volume of capital increases without subscription rights” below for more details). This method guarantees that the 10% threshold provided for in section 186 para. 3 sentence 4 AktG is complied with while taking into account all authorisations with potential subscription rights exclusions when applying section 186 para. 3 sentence 4 AktG directly, equivalently or analogously.

The proposed authorisation is in the interests of the company and its shareholders for the aforementioned reasons. It safeguards the interests of shareholders, as the issue price for the treasury shares that are to be issued must be based on the market price and because the authorisation only has a limited scope. Shareholders have the option of maintaining their relative holdings by purchasing shares on the stock market.

Exclusion of subscription rights for non-cash capital increases

As part of the authorised capital, the Board of Management will also be authorised, subject to the approval of the Supervisory Board, to exclude shareholders’ subscription rights in the event of capital increases in exchange for non-cash contributions for the purpose of granting shares within the scope of acquiring companies, parts of companies or stakes in companies or other assets eligible for contribution, or as part of company mergers. In order to compete globally, Leifheit must be in a position to take action quickly and flexibly in domestic and international markets in the interests of its shareholders at any time. This includes the option of acquiring companies, parts of companies, stakes in companies or other assets eligible for contribution in order to improve the company’s competitive position by granting shares, or merging with other companies. For example, it may become necessary during negotiations to offer shares instead of money as a form of consideration. The option of offering company shares as a form of consideration is particularly important in the international competition for interesting acquisition targets and creates the necessary leeway to harness opportunities that present themselves to acquire companies, parts of companies, stakes in companies or other assets eligible for contribution, or as part of company mergers, while protecting liquidity. In the case of mergers with other companies, statutory provisions governing the merger may require the granting of shares. Moreover, practice has shown that the owners of attractive acquisition targets may often ask for shares in the purchasing company in return for shares in their company, for example for tax reasons or in order to remain involved in their existing business. It may also make sense to grant shares to ensure an optimal financing structure, as new shares from authorised capital may make it possible to implement merger and acquisition plans while protecting liquidity.

Moreover, the company will be able to purchase other assets eligible for contribution in exchange for new shares created using authorised capital. In the case of acquisition plans, it could be economically viable to purchase other asset items in addition to the actual acquisition target, such as targets that serve the acquisition target economically. In cases like these, Leifheit AG must be in a position to acquire these assets and to grant shares via an exchange either to protect liquidity or because the seller has requested it, provided the assets in question are eligible for contribution. In addition, it must also be possible to grant shares instead of money retrospectively in cases where a cash payment was originally agreed upon in order to purchase assets, and thus to protect liquidity. Ultimately, it should be possible – regardless of any other acquisition plans – to purchase assets in exchange for the granting of new shares, either to protect liquidity or because the seller has requested it, provided the assets in question are eligible for contribution.

This does not create any disadvantage for the company, as issuing shares in exchange for non-cash contributions requires that the value of the non-cash contribution must be proportional to the value of the shares. When setting the valuation ratio, the Board of Management will ensure that the interests of the company and its shareholders are appropriately protected and that an appropriate issue price for the new shares is achieved.

Exclusion of subscription rights for scrip dividends

In addition to this, it will be possible to exclude subscription rights in order to pay scrip dividends that offer optimal conditions. In the case of scrip dividends, shareholders are given the option of asserting claims that have arisen from the resolution passed on the appropriation of balance sheet profit at the Annual General Meeting for full or partial payment of dividends from the company as non-cash contributions in order to receive shares from the authorised capital. A scrip dividend can be paid while upholding statutory subscription rights by offering shareholders only full shares. With regard to the part of the dividend claim that does not meet the subscription price for a whole share (or exceeds said price), shareholders are referred to the receipt of cash dividends and cannot subscribe to any shares. Offers of partial rights are not provided for. This is justified and reasonable, as shareholders receive a proportional cash dividend instead of receiving treasury shares. Depending on the capital market situation, it may be in the interest of the company and its shareholders to grant and pay scrip dividends without subscription rights in some individual cases. This kind of subscription right exclusion enables scrip dividends to be paid under more flexible conditions. The Board of Management is therefore to be authorised to exclude shareholders’ subscription rights altogether in order to pay scrip dividends. In this case, the Board of Management – irrespective of the full subscription right exclusion – will also offer all shareholders who have shares that are eligible to receive dividends shares from authorised capital in exchange for the full or partial transfer of their claims to dividends. Considering that shares from authorised capital are offered to all shareholders who hold shares that are eligible to receive dividends, and that surplus partial dividend amounts are compensated for with a cash dividend, the exclusion of subscription rights appears justified and reasonable.

Limitation to the overall volume of capital increases without subscription rights

The shares issued under any of the aforementioned authorisations to exclude subscription rights – i.e. in the case of the exclusion of subscription rights for fractional amounts, in the case of cash capital increases according to section 186 para. 3 sentence 4 AktG, in the case of non-cash capital increases and in the case of scrip dividends – may not exceed 10% of the company's existing share capital (10% threshold) at the time at which the authorisation is registered or, if lower, at the time at which the new shares are issued. Treasury shares that are issued without subscription rights are included in the 10% threshold. This threshold limits the total amount of shares that are issued using authorised capital without subscription rights to additionally prevent shareholders' stock from being diluted.

Utilisation of authorised capital

There are currently no specific plans to utilise authorised capital. The Board of Management will carefully examine whether it will utilise its authorisation to increase capital while excluding shareholders' subscription rights on a case-by-case basis. It will only do so if the Board of Management and the Supervisory Board conclude that such action is in the interests of the company and its shareholders.

The Board of Management will inform shareholders of any use of authorised capital at the subsequent Annual General Meeting.

V. MORE INFORMATION ABOUT THE CONVOCATION

1. The company's website and the documents and information to be made accessible there according to section 124a AktG

This invitation to the Annual General Meeting, the documents to be made accessible to the Annual General Meeting according to section 124a AktG and further information in connection with the Annual General Meeting will be available online at

agm.leifheit-group.com

from the time at which the Annual General Meeting is convened. Any and all countermotions, proposals for election and supplementary motions from shareholders, as well as the voting results after the Annual General Meeting, will also be made accessible via the aforementioned website.

The AGM portal – through which shareholders who have registered properly and in due time may exercise their voting rights before and during the Annual General Meeting and follow the entire meeting in video and audio form, among other things – is also available via this website.

2. Total number of shares and voting rights

At the time the Annual General Meeting was convened, the company's share capital was divided into 10,000,000 no-par-value bearer shares, of which every share was allocated one vote. The total number of voting rights thus amounted to 10,000,000 voting rights at the time the Annual General Meeting was convened. At the time the Annual General Meeting was convened, the company held 484,697 treasury shares which did not grant it voting rights.

3. Execution of the Annual General Meeting as a virtual general meeting without shareholders or their authorised representatives being physically present, broadcast in video and audio

On the basis of section 1 of the German act concerning measures under the law of companies, cooperative societies, associations, foundations and commonhold property to combat the effects of the COVID-19 pandemic dated 27 March 2020, as amended by the German act on the further shortening of the residual debt discharge procedure and the adjustment of pandemic-related provisions in corporate, cooperative, association and foundation law as well as in rental and lease law dated 22 December 2020 ("COVID-19 act") – and as extended until 31 August 2022 by the German act establishing the "Aufbauhilfe 2021" special fund and the German act on the temporary suspension of the obligation to file for insolvency due to torrential rain and flooding in July 2021 and amending other acts of 10 September 2021 – and on the basis of art. 16 para. 3 of the articles of incorporation, the Board of Management has resolved, with the consent of the Supervisory Board, to hold the Annual General Meeting as a virtual Annual General Meeting without the physical presence of shareholders or their authorised representatives.

This will lead to modifications to the procedures of the Annual General Meeting and the rights of shareholders. The entire Annual General Meeting will be broadcast in full in video and audio for those shareholders and their authorised representatives who have registered properly and in due time via the AGM portal online at **agm.leifheit-group.com**. Physical participation by shareholders or their authorised representatives (except for the company's proxies) is not permitted. Voting rights may be exercised by shareholders or their authorised representatives solely by postal vote or by assigning proxy rights to proxies designated by the company. Electronic participation in the meeting within the meaning of section 118 para. 1 sentence 2 AktG is not possible. Shareholders have a right to ask questions via electronic communication. Finally, shareholders who have exercised their voting rights can raise objections for the record to resolutions of the Annual General Meeting via electronic communication as well.

In view of the special nature of the virtual Annual General Meeting, we ask our shareholders to pay particular attention to the following information on registration, exercising voting rights, other shareholder rights and the option to follow the Annual General Meeting in video and audio.

Shareholders who have registered properly and in due time will receive a voting rights card with further information on exercising their rights instead of a conventional admission ticket. Among other things, the voting rights card contains individual access data that will allow the shareholders to use the AGM portal online at **agm.leifheit-group.com**.

By accessing the AGM portal, shareholders who have registered properly and in due time, as well as their authorised representatives, may follow the entire Annual General Meeting on Wednesday, **25 May 2022 from 11:00 a.m. (CEST)** via video and audio broadcast and may exercise their voting rights through the postal vote method.

At the request of the chair of the meeting, the Annual General Meeting will additionally be broadcast live on our website at **agm.leifheit-group.com** for interested members of the public on 25 May 2022 from 11:00 a.m. (CEST) until the conclusion of the Board of Management speech. This additional broadcast does not allow participation in the Annual General Meeting within the meaning of section 118 para. 1 sentence 2 AktG.

4. **Web-based AGM portal and Annual General Meeting hotline**

From 4 May 2022 on, the company will operate a web-based AGM portal online at agm.leifheit-group.com, through which shareholders who have registered properly and in due time, as well as their authorised representatives, may exercise their voting rights, authorise proxies, submit questions or raise objections for the record, among other things. In order to use the AGM portal, shareholders must register with individual access data, which shareholders who have registered properly and in due time will receive with their voting rights card. The various ways of exercising shareholder rights will be indicated in the form of buttons and menus in the AGM portal's user interface.

Shareholders will receive further details regarding the AGM portal and the terms of registration and use with their voting rights card or may look them up online at agm.leifheit-group.com.

Please also see the technical information at the end of this invitation.

For questions regarding the virtual Annual General Meeting and the use of the AGM portal, members of our AGM hotline are available on +49 89 21027-222 from Monday to Friday – excluding German holidays – from 9:00 a.m. to 5:00 p.m. (CEST).

5. **Registering for the virtual Annual General Meeting and exercising shareholder rights**

Only those shareholders who have registered for the Annual General Meeting ("registration") and who have proved to the company that they are eligible to exercise their voting rights ("record of share ownership") are entitled to exercise shareholder rights, particularly voting rights, and to use the AGM portal. Shareholders must register in text form, either in German or English. A record of share ownership in text form by the final intermediary in accordance with section 67c para. 3 AktG suffices for verification.

The evidence must refer to the beginning of the twenty-first day before the Annual General Meeting, i.e. the **beginning of the day [00:00 CEST] on 4 May 2022** ("record date"). The eligibility specified above is defined solely in accordance with the stake held by the shareholder at the record date, without this constituting a block on the ability to sell the stake. Even in the event of a full or partial sale of the shareholding following the record date, only those shares owned by the shareholder at the record date are relevant to the right to exercise shareholder rights during the Annual General Meeting, i.e. the disposal or acquisition of shares after the record date will not affect the right to exercise shareholder rights during the Annual General Meeting.

Registration and record of share ownership must be received by the company by the **end of day [24:00 CEST] on Wednesday, 18 May 2022** at the latest at the following address:

Leifheit AG
c/o Link Market Services GmbH
Landshuter Allee 10, 80637 Munich, Germany
inhaberaktien@linkmarketservices.de

or by email to:

After receiving the registration and record of share ownership, the company will send the shareholders or the proxies appointed by them voting rights cards for the Annual General Meeting. To ensure that the voting rights cards, which will be sent together with the relevant proxy forms, are received in good time, shareholders are requested to send their registration and record of share ownership to the company at the address listed above at their earliest convenience. This request is not linked to any restriction of shareholder rights.

6. **Exercising voting rights by postal vote**

Shareholders who have registered properly and in due time, as well as their authorised representatives, may cast their votes by postal vote.

Before the Annual General Meeting, the postal vote form printed on the voting rights card will be available to this end to shareholders who have registered properly and in due time and to their authorised representatives. In addition, the postal vote form may be downloaded online at agm.leifheit-group.com.

If used by shareholders or their authorised representatives, the postal vote form must be sent only to the postal address or email address of the registration office stated under item 5 and must be received by the registration office by the **end of day [24:00 CEST] on 24 May 2022** (time of receipt). The revocation and changes of postal votes should also be sent in the aforementioned ways by the end of day [24:00 CEST] on 24 May 2022 (time of receipt). After this date, a revocation or change of postal voting decisions is possible via the AGM portal even during the Annual General Meeting until the time defined by the chair of the meeting within the scope of voting.

Postal votes not unambiguously attributable to a registration submitted, received and processed properly and in due time will not be counted.

Both before and during the Annual General Meeting (until the time defined by the chair of the meeting within the scope of voting), the AGM portal will also be available online at **agm.leifheit-group.com** for shareholders who have registered properly and in due time and for their authorised representatives to exercise their voting rights by means of (electronic) postal voting.

Electronic postal votes may be submitted using the AGM portal from 4 May 2022 until the time defined by the chair of the meeting within the scope of voting on the day of the Annual General Meeting via the button marked "Postal vote" in the AGM portal. During the Annual General Meeting, shareholders and their authorised representatives who have registered properly and in due time may continue to use the AGM portal until the time defined by the chair of the meeting within the scope of voting to change or revoke any votes submitted by electronic postal vote.

More information on the postal vote method can be found on the voting rights card that is sent to shareholders who have registered properly and in due time. Corresponding information and a more detailed description of the electronic postal vote method is also available online on the AGM portal at **agm.leifheit-group.com**.

7. Exercising voting rights by proxies

a) Authorising third parties as proxies to exercise voting rights and other shareholder rights

Shareholders can allow their voting rights and their other shareholder rights to be exercised by a proxy or by an association of shareholders, subject to the appropriate authorisation procedures. They must also submit the record of share ownership and register properly by the deadline in this case. The issuing of proxy authorisations, their revocation and verifications of proxy authorisation must be submitted to the company in text form, if neither an intermediary nor an association of shareholders or proxy adviser or an equivalent person according to section 135 para. 8 AktG has been authorised to exercise the voting rights.

Likewise, proxies may neither physically nor by means of electronic communication take part in the virtual Annual General Meeting within the meaning of section 118 para. 1 sentence 2 AktG. They may exercise voting rights on behalf of the shareholders whom they represent solely by postal vote or by authorising and instructing the proxies designated by the company.

If a shareholder authorises more than one person, the company can reject one or several of them.

Shareholders will find a form for issuing proxy authorisations on the back of their voting rights card. In addition, the form may be found online at **agm.leifheit-group.com**.

From the time the Annual General Meeting has been convened, verification of proxy authorisations and revocations of proxy authorisations can be submitted to the following address:

Leifheit AG
c/o Link Market Services GmbH
Landshuter Allee 10, 80637 Munich, Germany
or by email to: inhaberaktien@linkmarketservices.de
or on the AGM -portal at: **agm.leifheit-group.com**

A proxy authorisation, its revocation, its change and verifications of proxy authorisation may be submitted to the above address by post or email no later than the **end of day [24:00 CEST]** on Tuesday, **24 May 2022** (time of receipt). After this date, a revocation or change of authorisations is possible via the AGM portal even during the Annual General Meeting until the time defined by the chair of the meeting within the scope of voting.

Issuing, changing and revoking authorisation, as well as providing verifications of proxy authorisation, will be possible online via the AGM portal at **agm.leifheit-group.com** until the time defined by the chair of the meeting within the scope of voting during the virtual Annual General Meeting.

If an intermediary, a shareholders' association, a proxy adviser or any other equivalent entity as defined in section 135 para. 8 AktG is to be authorised to act as the shareholder's proxy, this authorisation – in derogation of the above principle – does not require a specific form either under the law or under the company's articles of incorporation. It should be noted, however, that in such cases the institutions or persons to be authorised may request that they be issued a specific form of proxy, as, according to section 135 AktG, they are required to record any proxy authorisations in a verifiable manner. You should therefore consult with them on whether there is a potential formal requirement for proxies.

b) Authorising voting proxies appointed by the company who are bound to the instructions given to them

The company offers its shareholders the opportunity to assign proxy rights to proxies designated by the company. They must also submit the record of share ownership and register properly by the deadline in this case. The proxies appointed by the company exercise the voting right based exclusively on the shareholder's instructions. Granting authorisation to voting proxies appointed by the company, its revocation and the issuance of instructions must be made in text form.

A form for authorising proxies and issuing instructions, as well as other information, is printed on the back of the voting rights card. In addition, the form may be found online at agm.leifheit-group.com.

Shareholders who wish to authorise proxies appointed by the company before the Annual General Meeting should send the completed form to the address listed above in the "Authorising third parties as proxies to exercise voting rights and other shareholder rights" section (by post or email) to be received no later than the **end of day [24:00 CEST]** on Tuesday, **24 May 2022** (time of receipt). The revocation of authorisation and changes to instructions should also be sent in the aforementioned ways by the end of day [24:00 CEST] on 24 May 2022 (time of receipt). After this date, a revocation or change of authorisations and instructions is possible via the AGM portal even during the Annual General Meeting until the time defined by the chair of the meeting within the scope of voting.

Shareholders also have access to the AGM portal online at agm.leifheit-group.com, which can be used to issue, change and revoke authorisations and instructions for proxies designated by the company until the time defined by the chair of the meeting within the scope of voting during the virtual Annual General Meeting.

8. Supplementary motions to the agenda at the request of a minority according to section 122 para. 2 AktG

According to section 122 para. 2 AktG, shareholders whose shares, when taken together, amount to one-twentieth of the share capital or represent a proportional amount of € 500,000.00 may request to have items placed on the agenda and announced. The reasons for the request or a proposed resolution must be enclosed for each new item.

Requests must be addressed to the company's Board of Management in writing and must be received by the company by the end of day [24:00 CEST] on Sunday, 24 April 2021 at the latest. We ask that shareholders send requests like these to the following address:

Leifheit AG
The Board of Management
c/o Link Market Services GmbH
Landshuter Allee 10, 80637 Munich, Germany

9. Countermotions and proposals for election from shareholders according to section 126 para. 1 and section 127 AktG

Countermotions, including reasons for them, against a proposal made by the Board of Management and/or the Supervisory Board with respect to a specific agenda item and shareholder proposals for elections of members to the Supervisory Board and auditors of the company, provided they concern items on the agenda, must be sent prior to the Annual General Meeting exclusively to the following address:

Leifheit AG
c/o Link Market Services GmbH
Landshuter Allee 10, 80637 Munich, Germany

or by email to: antraege@linkmarketservices.de

Accompanied by proof of shareholder status, countermotions and election proposals received no later than the end of day [24:00 CEST] on Tuesday, 10 May 2022 at the address above and which are to be published will be made accessible online at agm.leifheit-group.com. Any comments by the management shall also be published on the website listed above after 10 May 2022.

A countermotion or proposal for election to be made accessible in accordance with sections 126 and 127 AktG shall be deemed to have been submitted to the Annual General Meeting if the shareholder submitting the application or submitting the nomination has registered properly and in due time.

10. Shareholders' right to ask questions according to section 1 para. 2 sentence 1 no. 3, sentence 2 COVID-19 act

Shareholders who have registered properly and in due time, as well as their authorised representatives, will be given the right to ask questions by means of electronic communication.

For organisational reasons, questions may only be submitted online by means of electronic communication via the AGM portal at agm.leifheit-group.com and must be received no later than the **end of day [24:00 CEST]** on Monday, **23 May 2022** (time of receipt). Questions received through other means or after the deadline will not be considered.

The Board of Management decides at its duty-bound, free discretion how to respond to questions.

It intends to mention and/or address the parties asking questions by name unless said parties have expressly objected to being mentioned and/or addressed by name.

11. Further explanations

Further explanations and information on shareholders' rights under section 122 para. 2, section 126 para. 1 and section 127 AktG, as well as section 1 para. 2 sentence 1 no. 3 sentence 2 COVID-19 act are available to shareholders on the internet at agm.leifheit-group.com.

12. Raising objections for the record

Shareholders who have registered properly and in due time and have exercised their voting right, as well as their authorised representatives, may object to a resolution adopted by the Annual General Meeting for the notary's record (section 1 para. 2 sentence 1 no. 4 COVID-19 act). The objection may only be submitted online by means of electronic communication via the AGM portal at agm.leifheit-group.com from the start of the virtual Annual General Meeting until its conclusion by the chair of the meeting. Objections may be raised by no other means.

13. Information regarding data protection

Information regarding the processing of personal data in connection with the Annual General Meeting can be found online at agm.leifheit-group.com.

14. Technical information regarding the virtual Annual General Meeting

A voting rights card, which shareholders will receive automatically after registering properly and in due time, is required to access the company's AGM portal. This voting rights card contains the individual access data with which shareholders who have registered properly and in due time, and their authorised representatives, may register in the AGM portal.

To avoid the risk of restrictions in exercising shareholder rights due to technical problems during the Annual General Meeting, it is recommended that shareholder rights (in particular voting rights) be exercised prior to the start of the Annual General Meeting, if possible.

An internet connection and a web-enabled device are necessary to follow the virtual Annual General Meeting, to use the AGM portal and to exercise shareholder rights. A stable internet connection with a sufficient data transfer rate is recommended for optimum video and audio quality during the broadcast of the Annual General Meeting.

Shareholders and/or authorised representatives of shareholders using a computer to follow the broadcast of the virtual Annual General Meeting will require a browser and speakers or headphones.

15. Information regarding the availability of the broadcast

Shareholders who have registered properly and in due time, as well as their authorised representatives, may follow the entire Annual General Meeting online via video and audio broadcast via the AGM portal. Due to restrictions in the availability of the telecommunication network and restrictions in online services offered by third-party providers, the video and audio broadcast of the virtual Annual General Meeting and the availability of the AGM portal may, under the current technological conditions, be subject to variations in quality beyond the company's control. The company is therefore unable to provide any guarantee or assume any liability for the functionality and constant availability of the internet services used, the third-party network elements used, the video and audio broadcast or the access to the AGM portal and its general availability. The company also assumes no responsibility for errors and defects related to the hardware and software used for the AGM portal, including those of the service providers used, except in the event of intent. The company therefore recommends making prompt use of the aforementioned options for exercising rights, particularly voting rights. The chair of the meeting reserves the right to interrupt or cancel the virtual Annual General Meeting if necessitated by data protection or security concerns.

Nassau/Lahn, April 2022

Leifheit Aktiengesellschaft
The Board of Management