

2024

# COMPENSATION REPORT

**SURTECO**

## Compensation report

This report describes the compensation system for the Management Board and the Supervisory Board and provides information on the remuneration granted and owed for each individual current or former member of the Management Board and Supervisory Board of SURTECO SE in the business year 2024 pursuant to § 162 Stock Corporation Act (AktG). The compensation system most recently approved by the Annual General Meeting held on 7 June 2024 pursuant to § 87a Stock Corporation Act (AktG) is published on the company's website. The compensation system is to be applied from the day of approval by the Annual General Meeting. The existing contracts of service of the Management Board will not be affected. Furthermore, this report provides information about the remuneration for the Supervisory Board in accordance with the Articles of Association of the company. This report was prepared pursuant to § 162 Stock Corporation Act (AktG) by the Management Board and the Supervisory Board and was submitted to the next ordinary Annual General Meeting for approval. On the basis of the high approval rate of 97.7% of the Annual General Meeting for the compensation system and for the last compensation report (97.9 %), no amendments were carried out.

### Compensation for Members of the Management Board

#### Definition and review of the compensation structure

The compensation structure and the level of compensation for the Members of the Management Board are defined by the Supervisory Board in accordance with the relevant respective contracts of service currently valid for the Management Board on the basis of the proposal of the Personnel Committee and are regularly reviewed by the Supervisory Board. Consequently, this report describes the compensation in accordance with the contracts of service which were valid for the payout in 2024 (bonuses for the business year 2023). The existing compensation system guarantees a level of remuneration appropriate to the activity and responsibility of the Members of the Management Board. Alongside the functions of the

individual Members of the Management Board and their personal performance, further factors taken into account include the economic situation, the success and future prospects of the company, and the commensurate nature of the compensation in view of the comparative environment and the compensation structure otherwise applicable within the SURTECO Group.

The compensation systems are described below for the reporting year under review.

#### Compensation elements

The total cash compensation for all Members of the Management Board is comprised of a fixed compensation (basic salary) that is independent of any performance element and a performance-based variable component (bonus). The compensation for Members of the Management Board also includes non-cash benefits and other payments. None of the Members of the Management Board has undertaken separately remunerated functions as governance officers at the consolidated subsidiary companies.

#### Basic salary

The relevant basic salary of all the Members of the Management Board is paid in equal monthly amounts. In the business year 2024, it amounts to € 550,000 p.a. for Board Member Wolfgang Moyses and € 350,000 p.a. for Board Member Andreas Pötz.

#### Bonuses

In accordance with the defined compensation system, the level of the bonus depends on the achievement of defined goals, which are set by the Supervisory Board in advance each year for the respective following business year. These are as follows (in each case related to the Group)

- the attainment of a defined EBITDA,
- the attainment of a defined Free Cash flow (FCF),
- strategic targets and
- sustainability goals.

The relevant consolidated financial statements for the

company approved by the Management Board and the Supervisory Board form the basis for the attainment of a defined EBITDA and a defined FCF. The Supervisory Board defines strategic targets and sustainability goals at its due discretion. It also determines which key figures, reports or other documents or information form the basis for the relevant target attainment.

The following percentages apply to the weighting of the individual targets for the total bonus:

	Weighting	Target value of bonuses for Wolfgang Moyses	Target value of bonuses for Andreas Pötz
€			
Attainment of a defined EBITDA:	70 %	1,750,000	490,000
Attainment of a defined FCF:	10 %	250,000	70,000
Strategic targets:	10 %	250,000	70,000
Sustainability goals	10 %	250,000	70,000
<b>Total</b>	<b>100 %</b>	<b>2,500,000</b>	<b>700,000</b>

The Supervisory Board is authorized within the framework of its due discretion to increase or decrease the weighting in deviation from the above-mentioned percentages and if the targets are attained for EBITDA and FCF on the basis of extraordinary influences, e.g. the effects of company acquisitions and restructuring.

The baseline for calculating the variable remuneration for Mr. Andreas Pötz is a total amount of € 700,000.00 (target amount), which applies if the target values are attained at a level of 100 % for all goals. The target amount for Mr. Wolfgang Moyses is € 2,500,000.00.

If the target is exceeded, the pro-rata target amount for Mr. Moyses increases by 2.5 % and for Mr. Pötz by 1.25 % of the difference between the target amount and the actual amount of target attainment.

If the target is not met, the pro-rata standard amount for

Mr. Moyses is reduced by 2.5 % and for Mr. Pötz by 0.63 % of the difference between the target amount and the actual amount of target attainment.

Sample calculation of the bonus of Andreas Pötz for the agreed EBITDA target of € 119,900,000 and actual EBITDA of € 85,000,000 (100 % target attainment of all other targets):

The difference between agreed EBITDA and actual EBITDA = € 34,900,000. Of which 0.63 % = € 219,870. € 490,000 (target amount) – € 219,870 (reduction owing to shortfall) = bonus of € 270,130.

Target	Target attainment	Weighting	Amount
€			
EBITDA	71%	70%	270,130
free cash flow	100%	10%	70,000
strategic targets	100%	10%	70,000
Sustainability goals	100%	10%	70,000
<b>Total</b>		<b>100%</b>	<b>480,130</b>

In the case of targets that do not have a mathematical derivation, the Supervisory Board determines the degree of target attainment and the resulting increase or decrease in variable remuneration at its due discretion.

The focus on sustainable and long-term corporate development and a multi-year assessment basis is calculated using the same method referred to above, with the difference that an amount of 50 % of the bonus is paid out in the following business year (one-year variable remuneration) and an amount of 50 % of the bonus is paid out after three years, and furthermore reduced or increased as a percentage if the average bonus for the last three business years (reference period) falls below or exceeds the bonus for the third and last business year (multi-year variable remuneration).

When a Board Member steps down from their office, the contracts of employment stipulate that the Member of the Management Board either (i) waits for the normal settle-

ment of the retention after the end of the reference period or (ii) has the retention paid out with a flat-rate deduction of 10 %. The latter provision is associated with the condition that the payout amount may not be higher than the amount that resulted for the last reference period.

Sample calculation for one-year and multi-year variable remuneration

€ 000s	BY 1	BY 2	BY 3	BY 4
Total bonus granted	1,000	1,200	900	1,500
- of which 50 % payout	500	600	450	750
- of which 50 % retention	500	600	450	750
Payout of long-term component (average bonus for the past three BYs 1-3 = 1,033). Exceeds bonus of BY 1 by 3.3%. Retained share of BY 1 is increased by 3.3%.	-	-	-	517

### Non-cash benefits and other payments

The Members of the Management Board receive fringe benefits in the form of non-cash benefits that fundamentally entail values to be recognized from the tax guidelines for use of a company car and various insurance premiums. Mr. Wolfgang Moyses receives an allowance amounting to € 300,000 p.a. for his retirement provision, which is paid to an external welfare fund. The reinsurance policy is pledged. There are no further obligations or risks for the company beyond the payment of the amounts for the welfare fund.

### Maximum compensation

The basic salary for Mr. Wolfgang Moyses is fixed at € 550,000, which also defines the upper limit for the basic salary. The maximum remuneration for Mr. Moyses (fixed salary including all fringe benefits and variable remuneration) is € 3,500,000 p.a. The allowance for his retirement pension is fixed at € 300,000, which also defines the upper limit.

The basic salary for Mr. Andreas Pötz is fixed at € 350,000 p.a., which is also defined as the upper limit for the basic salary. The total remuneration (fixed salary, variable remuneration and fringe benefits) must not fall below an amount of € 600,000. The maximum compensation for basic salary, variable remuneration and fringe benefits is € 1,500,000.

### D&O-insurance

A Directors' and Officers' Liability Insurance ("D&O" insurance) is provided for the Members of the Management Board. Pursuant to the requirements of § 93 (2) Sentence 3 of the Stock Corporation Act (AktG), the excess (deductible) amounts to 10 % of the loss or damage up to an amount of one and a half times the fixed annual compensation of the Board Member.

### Payments by third parties

During the business year under review, no Member of the Management Board received payments or equivalent plan benefits from third parties (including companies with which the SURTECO Group maintains business relations) in relation to their activity as a Member of the Management Board.

### Loans to Members of the Management Board

During the period under review, no advances or loans were granted to Members of the Management Board of SURTECO GROUP SE.

### Benefits for premature termination of employment

The contracts of service for the Members of the Management Board automatically come to an end when the period of appointment for the relevant Member of the Management Board is concluded. If the appointment of a Member of the Management Board is revoked during the term of their contract of service, the Board Member affected can be placed on administrative leave for the remaining term of the contract and the compensation will continue to be paid. In each case, notice of termination can be served on the contracts of service by both sides for good cause. If a Member of the Management Board is temporarily incapacitated and unable to work, the basic

salary will continue to be paid in the case of Mr. Wolfgang Moyses for a period of up to twelve months and in the case of Mr. Andreas Pötz up to six months. If death occurs during the period of the employment relationship, the heirs of the relevant Board Member have the right to continued payment of the basic salary for the month in which death occurs and for a further six months. The contracts of service for both Members of the Management Board include regulations relating to any benefits for the eventuality of a premature termination in the event of a change of control (Change of Control clause). The Members of the Management Board are entitled to terminate their contract with effect from the end of the calendar month following the declaration within nine months of the occurrence of a change of control. Notwithstanding the current remuneration system, in the event of termination following a change of control Mr. Moyses and Mr. Pötz are entitled to payment of their fixed salary, variable remuneration and pension contributions, respectively pro rata for the remaining term of the contract after the termination takes effect, but at least for a period of two years if the remaining term is less than two years. The payments in the event of premature termination are limited to a maximum of two years' remuneration

payments for the Member of the Management Board Andreas Pötz. When drafting the contracts, Section 7 [Deviations] of the approved remuneration system and the possible provisions in the event of a change of control were taken into account. In this way, the company ensures that the implementation of the company's adopted and long-term strategy is guaranteed by an optimum composition of the Management Board.

### Compensation granted and due

The following table shows the remuneration granted and owed to each individual member of the Management Board in the business year 2024 (inflows) as well as the non-cash and other remuneration for the business year 2024. According to the provisions of § 162 Stock Corporation Act (AktG), amounts must be recognised as granted and owed remuneration which were already due in the reporting period and paid to the individual Member of the Management Board or for which the payment due has not yet been made. The information on the remuneration granted and owed is in each case divided into fixed and variable remuneration components and supplemented by non-cash and other payments.

Compensation granted and due (inflow)	Wolfgang Moyses Chairman of the Management Board		Andreas Pötz Member of the Ma- nagement Board	
€ 000s	2024	2024 in %	2024	2024 in %
Fixed remuneration	550	34	350	44
Fringe benefits	24	1	28	4
Total	574	36	378	48
Single-year variable remuneration (Granted for the business year 2023 and paid out in 2024)	539	33	344	43
Multi-year variable remuneration (Attainment of target depends on the average bonuses for the past three years)	198	12	73*	9
Total	737	46	417	52
Pension expenses	300	19	-	-
Total remuneration	1,611	100	795	100

\* Multi-year bonus entitlement from activity as managing director

EBITDA in the business year 2023 amounted to € 000s 66,574. The EBITDA target for Mr. Moyses was € 000s 150,000, which is why there was no bonus entitlement arising from the EBITDA target. Free cash flow in the business year 2023 amounted to € 000s 70,495 (not including purchase-price payment for Omnova) and the target amount € 000s 39,800. Target attainment amounted to 177%, which results in a bonus amount of € 442,500. The Supervisory Board defined the integration of Omnova as a strategic goal and set a bonus of € 403,358 for attainment of this goal. The sustainability target was set to reduce CO<sub>2</sub> emissions by 5 %, which was not achieved in full. A payout amount of € 231,326 was defined for this. Half (€ 000s 539) of the variable remuneration amounting to a total of € 000s 1,077 was paid out in 2024, while the other half was paid into the bonus bank for the multi-year variable remuneration. In 2024, a multi-year bonus amounting to € 198,255 was paid out.

The EBITDA target for Mr. Andreas Pötz was € 000s 84,800, which leads to a bonus amount of € 375,881. The target amount for the free cash flow target for Mr. Pötz was similarly at € 000s 39,800. Target attainment for key cash flow amounted to 177 %, which results in a bonus amount of € 123,900. The Supervisory Board defined the integration of Omnova as a strategic goal and set a bonus of € 119,326 for attainment of this goal. The sustainability target was set to reduce CO<sub>2</sub> emissions by 5 %, which was not achieved in full. A payout amount of € 68,693 was defined for this. Half (€ 000s 344) of the variable remuneration amounting to a total of € 000s 688 was paid out in 2024, while the other half was paid into the bonus bank for the multi-year variable remuneration. In 2024, a multi-year bonus of € 72,907 was paid out, which partly resulted from the activity as Managing Director prior to appointment to the Management Board.

### **Compliance with remuneration upper limits**

The upper remuneration limits are observed in the year of granting the bonus.

The maximum remuneration for Mr. Moyses is € 3,500,000 p.a. This amount was not exceeded for the granted bonus amounting to € 000s 1,077 for the business year 2023, basic remuneration of € 000 550, the pension expense of € 000s 300 and fringe benefits of € 000 23.

The maximum remuneration for Mr. Pötz is a total of € 1,250,000 p.a. This amount was not exceeded for the granted bonus amounting to € 000s 688 for the business year 2023, basic remuneration of € 000s 300 and fringe benefits of € 000s 27.

## **Compensation for Members of the Supervisory Board**

### **Compensation elements**

The compensation for Members of the Supervisory Board is regulated in Article 12 of the Articles of Association. In accordance with the Articles of Association, the Members of the Supervisory Board received, apart from reimbursement of their expenses, fixed compensation in the amount of € 000s 25 in the business year 2024 after the Annual General Meeting in 2024. The compensation is paid pro rata if a member joins or leaves the Supervisory Board during the course of the year. The compensation increases by a factor of two times for the Chairman of the Supervisory Board and by one and a half times for each substitute chairman. The members of the Audit Committee also receive a further remuneration amounting to a total of up to € 40,000.00 annually. The Supervisory Board decides on the amount and allocation of this further remuneration based on the proposal by the Audit Committee, at their discretion taking into account the time taken by each of the members of the Audit Committee to carry out their functions.

### **D&O-insurance**

A Directors' & Officers' liability insurance for purely financial losses ("D&O" insurance) is provided for Members of the Supervisory Board.

### **Other benefits**

Members of the Supervisory Board receive no other amounts in remuneration above the compensation presented above or any other benefits for personally provided services, in particular for consultancy or mediation services.

### **Loans to Members of the Supervisory Board**

During the period under review, no advances or loans were granted to Members of the Supervisory Board of SURTECO GROUP SE.

## Granted and due remuneration (inflow) of the Supervisory Board 2024

in €	Total	Fixed remuneration	in %	Remuneration for activity on the Audit Committee	in %
Andreas Engelhardt Chairman	59,000	50,000	84,7	9,000	15,3
Tim Fiedler Deputy Chairman	37,500	37,500	100,0	-	-
Tobias Pott Vice Chairman	46,500	37,500	80,6	9,000	19,4
Jens Krazeisen	25,000	25,000	100,0	-	-
Dirk Mühlenkamp	25,000	25,000	100,0	-	-
Jochen Müller	34,000	25,000	73,5	9,000	26,5
Jan Oberbeck	25,000	25,000	100,0	-	-
Thomas Stockhausen	25,000	25,000	100,0	-	-
Jörg Wissemann	34,000	25,000	73,5	9,000	26,5
Summe	311,000	275,000		36,000	

### Development of the remuneration for the Management Board and the Supervisory Board in relation to the remuneration of the workforce and the income performance of the company

The following table provides information about the annual change in remuneration of the current and former Board Members, the remuneration for the rest of the workforce and the income performance of the company. The income performance of the company is presented on the basis of the key performance indicators of the Group, sales and earnings before financial result and income tax (EBIT) and the annual result of SURTECO GROUP SE pursuant to § 275 (2) No. 17 German Commercial Code (HGB). The average remuneration amounts of the entire workforce in

Germany are taken into account to calculate the average remuneration of the employees on a full-time equivalent basis. Use was made of the transitional regulation pursuant to § 26j of the Introductory Act (Einführungsgesetz) to the Stock Corporation Act (Aktiengesetz).

**Comparison of annual change pursuant to § 162 (1) No.2**

Annual change in %	2021 comp. to 2020	2022 comp. to 2021	2023 comp. to 2022	2024 comp. to 2023
Compensation for Members of the Management Board				
Wolfgang Moyses	+105	+38	-18	-19
Andreas Pötz from 1 April 2022	-	-	+193	+11
Compensation for the Supervisory Board				
Andreas Engelhardt	+79	+40	-31	+ -0
Tim Fiedler	+720	+59	-26	+ -0
Tobias Pott	+186	+47	-30	+ -0
Jens Krazeisen	+78	+19	-34	+ -0
Dirk Mühlenkamp (from 1 September 2021)	-	-	+97	+ -0
Jochen Müller (from 2 Oktober 2020)	-	+303	-28	+ -0
Jan Oberbeck (from 12 April 2021)	-	-	-9	+ -0
Thomas Stockhausen	+78	+19	-34	+ -0
Jörg Wissemann	+161	+15	-28	+ -0
Income performance				
Group sales	+21	-1	+12	+3
Group-EBIT	+57	-45	-80	+326
Annual result for SURTECO GROUP SE	+27	-59	-342	+226
Workforce				
Total workforce in Germany	+8	-5	+10	+6

## **Report of the independent auditor on the formal audit of the remuneration report pursuant to § 162 Abs. 3 AktG**

To SURTECO GROUP SE, Bittenwiesen

### **Opinion**

We have formally audited the remuneration report of the SURTECO GROUP SE, Bittenwiesen, for the financial year from 1/1/2024 to 12/31/2024 to determine whether the disclosures pursuant to § [Article] 162 Abs. [paragraphs] 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

### **Basis for the opinion**

We conducted our formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG and IDW [Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG (IDW AuS 870 [09.2023]). Our responsibility under that provision and that standard is further described in the "Auditor's Responsibilities" section of our auditor's report.

As an audit firm, we have complied with the requirements of the IDW Quality Management Standard: Requirements to quality management for audit firms [IDW Qualitätsmanagementstandard - IDW QMS 1 [09.2022]]. We have complied with the professional duties pursuant to the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer – BS WP/vBP], including the requirements for independence.

## **Responsibility of the Management Board and the Supervisory Board**

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

### **Auditor's Responsibilities**

Our objective is to obtain reasonable assurance about whether the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to determine, through comparison of the disclosures made in the remuneration report with the disclosures required by § 162 Abs. 1 and 2 AktG, the formal completeness of the remuneration report. In accordance with § 162 Abs 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Nuremberg, April 15, 2025

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