

CORPORATE GOVERNANCE

The Government Commission on the German Corporate Governance Code adopted a new version of the Code on December 16, 2019. The new Code has been handed for verifying at Federal Ministry of Justice and Consumer Protection on January 23, 2020, and was published in the German Federal Gazette on March 20, 2020. The following Corporate Governance report is based on the German Corporate Governance Code in the version applicable until December 31, 2019. TAKKT AG will integrate the Corporate Governance report into the Declaration on Corporate Governance starting in the 2020 fiscal year, as stipulated in the new code.

CORPORATE GOVERNANCE REPORT

The term corporate governance stands for responsible management with the aim of creating long-term added value. Good corporate governance increases the company's value in the long run. Values like responsibility, reliability and trust are therefore a priority at TAKKT. The Group views transparency in engaging with its interest groups as being essential to its corporate success.

COMMITMENT TO THE GERMAN CORPORATE GOVERNANCE CODE

TAKKT expressly supports the aims and requirements of the German Corporate Governance Code (DCGK). This underlines the value placed upon responsible corporate management at TAKKT. In December 2019, the Management and Supervisory Boards therefore renewed their declaration of general conformity with all the key points of the latest version of the recommendations of the German Corporate Governance Code according to section 161 of the German Stock Corporation Act (AktG).

Section 5.4.1 DCGK requires the Supervisory Board to possess certain requisite skills, knowledge and expertise, and this requirement is entirely met with the current composition of the Supervisory Board.

The declaration of conformity is reproduced verbatim at the end of this corporate governance report and its latest version can also be found at www.takkt.com.

There are only a few cases where TAKKT does not follow the Code's recommendations:

- Due to the modest size of the Supervisory Board of six members, it does not consider the additional establishment of an auditing and nomination committee to be necessary.

- Since the Chairman of the Supervisory Board and all members of the Supervisory Board are informed of the business developments in writing on a monthly basis, the Supervisory Board does not consider it necessary for the entire Supervisory Board to discuss the financial information during the year.

Among other things, the new code stipulates that the number of meetings of the Supervisory Board and committees each member attended be stated in the Supervisory Board report. TAKKT already complies with this change. An overview of attendance at the meetings can be found in the Supervisory Board Report on page 27.

PARTICIPATION AT THE SHAREHOLDERS' MEETING

The shareholders have the opportunity to exercise their statutory rights at the annual Shareholders' Meeting of TAKKT AG. They regularly decide on the distribution of unappropriated profit, the discharge of the Management Board and Supervisory Board and the selection of an auditor. The shareholders can vote either personally or by proxy on the relevant items on the agenda. They may also cast votes by mail. The procedure for registration and proof of eligibility used at the Shareholders' Meeting of TAKKT AG is in accordance with the stipulations of the German Stock Corporation Act and with international standards. All shareholders who would like to attend a Shareholders' Meeting of TAKKT AG and exercise their right to vote are required to register and prove that they are eligible to participate and vote at the meeting. Details of the conditions for registration and participation are announced in the invitation to every Shareholders' Meeting. In addition, both the agenda and all documents relating to this and other information on the Shareholders' Meeting are available to shareholders on the company website.

CLOSE COLLABORATION BETWEEN MANAGEMENT BOARD AND SUPERVISORY BOARD

TAKKT's internal management structures are characterized by clear organization and direct reporting lines. The company also operates a value-based remuneration and incentive system. Detailed information on the remuneration of the Management Board at TAKKT can be found in the remuneration report of this annual report.

The Management and Supervisory Boards at TAKKT work closely with each other to further the interests of the Group according to the motto of "achieving more together" and jointly determine the strategic direction of the company. The Management Board steers the company, develops strategies, implements these strategies in the company's operating business and ensures effective risk management. Important decisions are made by the Management Board in coordination with the Supervisory Board. The Management

Board also informs the Supervisory Board regularly, promptly and comprehensively about important changes in the company, its environment, its strategy and its business development. The Management Board ensures compliance with the statutory regulations and internal company guidelines and contributes to ensuring observance of these by the Group companies. Certain key transactions and measures – stipulated in the rules of management for the Management Board – require prior approval by the Supervisory Board.

The Management Board consists of four members. As of the date this report was prepared, one position was vacant. The composition of the Management Board in the 2019 fiscal year is shown on page 19 of the annual report. Information about the members of the Management Board can be found on the website at www.takkt.com.

It is the duty of the Supervisory Board to oversee and advise the Management Board in its management of the company on a regular basis. It carries out this duty with dedication and thus makes a substantial contribution to the company's success. It supports the Management Board in fulfilling its responsibilities completely and in good time and takes part in the most important decisions by passing the necessary resolutions. The Supervisory Board also appoints the auditors in accordance with the resolution passed at the Shareholders' Meeting.

In accordance with the articles of association, the Supervisory Board of TAKKT AG consists of six members. The composition of the Supervisory Board in the 2019 fiscal year is shown on page 27 of the annual report.

The personnel committee of the Supervisory Board consists of three members and one of its tasks is to prepare issues in connection with the employee contracts of the Board Members. If members of the Supervisory Board intend to have additional contracts of service with the company, its approval is also required. There are currently no such contracts of service. The current composition of the personnel committee can be found in the Supervisory Board Report on page 27.

A directors and officers (D&O) insurance policy with the statutory deductibles has been taken out for the Management Board and Supervisory Board members. The remuneration principles of the Supervisory Board are set out in the company's articles of association, which can be found on the TAKKT website www.takkt.com.

DIVERSITY ON THE SUPERVISORY BOARD

Given the company purpose, its size and the share of international business, the Supervisory Board of TAKKT AG strives to take the various principles into account with regard to its composition as per section 5.4.1 of the German Corporate Governance Code. The Supervisory Board is expected in particular to select duly qualified, suitable candidates when making nominations. In accordance with the requirements of the law on equal opportunities for women and men in management

positions, the Supervisory Board set a target of one woman on a board of six members in relation to female representation on the Supervisory Board. In the 2016 fiscal year, this target quota was set until December 31, 2021. This target was also met in the 2019 fiscal year. Given the current make-up of the Supervisory Board, the experience and qualifications of its members, the environment in which TAKKT AG operates and the existing rules of procedure for the Supervisory Board, TAKKT believes that it fulfills the requirements of the German Corporate Governance Code. The Supervisory Board will continue to take account of the above-mentioned goals and the principles associated with it in the future. The existing target for female representation (the status quo) also remains in effect for the Management Board until December 31, 2021.

Pursuant to section 5.4.1 of the DCGK, a regular limit of three terms is defined for the length of membership on the Supervisory Board. In compliance with 5.4.2 of the DCGK, the Supervisory Board should also have at least two independent members. The current independent members of the Supervisory Board are Johannes Haupt, Christian Wendler and Dorothee Ritz.

Additional information about the corporate management in accordance with section 289f of the German Commercial Code [HGB] (Declaration on Corporate Governance) as well as the CVs of the Supervisory Board members can be found on the TAKKT website.

COMPLIANCE

TAKKT AG attaches the highest priority to its compliance with all statutory and contractual obligations associated with responsible corporate governance. The Management Board also takes care to ensure that internal corporate guidelines are adhered to. TAKKT has a compliance management system of conventional scope, which is checked by the specialist departments and the Group's compliance officer. The compliance officer is supported by designated compliance representatives in the respective regional entities. These representatives exchange information on compliance issues on a quarterly basis and work closely together with the compliance officer in the event of violations. These measures allow possible breaches to be identified quickly. In addition to the existing standard compliance rules (e.g., relating to anti-corruption, anti-discrimination, etc.), TAKKT also has a whistleblower hotline set up with an external service provider where employees can, to the extent permitted by law, report violations. Additional training is provided as needed, especially for core issues in compliance, by means of an electronic platform.

RISK MANAGEMENT

Taking a responsible approach to business-related risks is a fundamental principle of good corporate governance. The Management Board and Management of TAKKT AG make use of reporting and control systems throughout the Group to record, assess and manage these risks. The

systems are continuously enhanced, adapted to changes in underlying conditions and checked by the Group auditor. The Management Board regularly informs the Supervisory Board about significant risks and their development. Details on risk management as well as the accounting-related internal control system are described in depth in the risk and opportunities report.

INTERNAL CONTROL SYSTEM

The internal control system at TAKKT includes aspects related to financial accounting as well as operational procedures. The TAKKT Management Board and Supervisory Board are committed to the establishment, control and monitoring of the internal control system. At TAKKT, the internal control system is documented in a systematic and understandable structure. It is reviewed in terms of its effectiveness on a regular basis. The results of these checks are documented. Measures for eliminating control weaknesses are implemented in a reproducible manner.

INTERNAL AUDIT

The internal audit department acts on behalf of and reports to the Management Board of TAKKT AG. As an independent and objective auditing and advisory body, its role is to support the Management Board in its management and control functions. The task of the internal auditing department is to review the correctness, effectiveness and economic feasibility of the risk management and internal control systems of all significant business processes. By performing these audit activities, internal auditing creates transparency, identifies risks and where there is room for improvement, develops solution recommendations and contributes to the success of the TAKKT Group. The Management Board of TAKKT reports to the Supervisory Board of TAKKT once a year on the audit system, audit plan and auditing activities and has the audit plan approved for the following year.

DIRECTORS' DEALINGS

On December 31, 2019, the members of the Management and Supervisory Boards held a total of 13,176 (676) shares in TAKKT AG. According to section 19 of the Market Abuse Regulation (MAR), executives as well as (natural and legal) persons closely associated with them of a company listed on the regulated market must notify the respective issuer and the German Federal Financial Supervisory Authority (BaFin) if they buy or sell shares or related financial instruments at a value exceeding EUR 5,000 in the course of a calendar year. From January 1, 2020, BaFin raised this threshold to EUR 20,000. In the year under review, two notifiable transactions were carried out, published and reported to BaFin.

SHARE OWNERSHIP

Detailed information on share ownership can be found in the notes to the consolidated financial statements under "Other notes" in section 5.

DECLARATION OF COMPLIANCE PURSUANT TO PARAGRAPH 161 GERMAN STOCK CORPORATION ACT (AKTG) AS OF DECEMBER 31, 2019

The Management and Supervisory Boards of TAKKT AG declare that the recommendations of the Government Commission on the German Corporate Governance Code, published by the Federal Ministry of Justice in the official part of the Federal Gazette, as amended on February 07, 2017, are being complied with. The Management and Supervisory Boards further declare that the recommendations of the Government Commission on the German Corporate Governance Code, as amended from time to time, have been complied with since the last declaration. The following exceptions apply:

1. The German Corporate Governance Code recommends under Clause 5.3.2 that the Supervisory Board establish an Audit Committee. No such Audit Committee has been established at TAKKT AG. As, with six members, the Supervisory Board of TAKKT AG is comparatively small, the Management and Supervisory Boards still see no need to establish an Audit Committee for the Board.
2. The German Corporate Governance Code recommends under Clause 5.3.3 that the Supervisory Board establish a Nomination Committee. No such Nomination Committee has been established at TAKKT AG. As, with six members, the Supervisory Board of TAKKT AG is comparatively small, the Management and Supervisory Boards also see no need to establish a Nomination Committee for the Board.
3. The German Corporate Governance Code recommends under Clause 7.1.2 that interim financial information, such as the quarterly statements and the half-year financial report of TAKKT, be discussed by the Management Board with the Supervisory Board or its Audit Committee prior to publication. At TAKKT AG, the Chairman of the Supervisory Board is continuously informed by the Management Board about the course of business. Moreover, all of the members of the Supervisory Board receive a written monthly report. Therefore, the Supervisory Board does not consider it necessary that the quarterly statements and the half-year financial report be additionally and separately discussed by the plenary Supervisory Board or by an Audit Committee.

Stuttgart, December 2019

On behalf of the Supervisory Board of TAKKT AG
Florian Funck, Chairman of the Supervisory Board

On behalf of the Management Board of TAKKT AG
Felix Zimmermann, Chairman of the Management Board

OTHER DISCLOSURES

SEGMENTS SHAPE THE DEVELOPMENT OF TAKKT AG

TAKKT formulates the company purpose as follows: "We make it easy to create great work environments." To this end, TAKKT has built up a group of B2B distance sellers for business equipment, who operate as product specialists in attractive market niches. TAKKT AG is responsible for functional activities that apply to the entire Group, which is why they can best be implemented at the Group level. This includes functions such as finance, strategy development, M&A, continuous improvement and human resources. The operating business is handled within the segments. Their results therefore have the greatest influence on the net assets, financial position and results of operations as well as the opportunities and risks for the future development of TAKKT AG.

INFORMATION REQUIRED UNDER TAKEOVER LAW

According to section 289a(1) and section 315a(1) no. 1–9 of the German Commercial Code (HGB), the following details must be disclosed regarding TAKKT AG and the TAKKT Group:

TAKKT AG's share capital totaling EUR 65,610,331 corresponds to 65,610,331 no-par-value bearer shares. These are not subject to any restrictions regarding voting rights or the transfer of shares.

As of December 31, 2019, TAKKT AG is a 50.2 percent subsidiary of Franz Haniel & Cie. GmbH, Duisburg, Germany. There are no other shareholders holding more than ten percent of voting rights.

Sections 84 and 85 of the German Stock Corporation Act (AktG) and section 5 of the company's articles of association apply for appointing and removing members of the Management Board, while sections 179 and 133 of the German Stock Corporation Act apply for changing the articles of association.

In accordance with the resolution passed at the Shareholders' Meeting of May 08, 2018, the Management Board is authorized to increase the share capital subject to the approval of the Supervisory Board, once or several times, by an amount of up to EUR 32,805,165 by issuing new no-par-value bearer shares by May 07, 2023, taking shareholders' subscription rights into account.

In addition, the Management Board is authorized, according to the resolution of the Shareholders' Meeting on May 08, 2018, subject to section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to acquire treasury shares up to an amount of ten percent of share capital. There is no reverse subscription right or a right to tender in the case of purchasing, nor is there a subscription right for shareholders in the case of selling. The company can exercise this

authorization in total or in smaller amounts, once or several times, in the pursuit of one or more objectives until May 07, 2023.

Members of the Management Board have the right to terminate their contracts of employment if one or more shareholders acting together acquire the majority of voting rights in TAKKT AG within the meaning of sections 29 et seq. of the German Securities Acquisition and Takeover Act (WpÜG). Further details concerning this can be found in the remuneration report.

At the end of the reporting period, an amount of EUR 85.9 million in liabilities from various financial institutions was subject to a change of control clause as per sections 289a(1) no. 8 and 315a(1) no. 8 of the German Commercial Code (HGB). No further disclosures are provided according to the second half-sentence of the relevant regulation.

The additional disclosures as required by section 315a(1) no. 2 of the German Commercial Code (limitation of voting rights), no. 4 (shares with special rights), no. 5 (controlling voting rights of employees) and no. 9 (compensation agreement with the Management Board or employees in case of a takeover offer) are not relevant for TAKKT AG or the TAKKT Group.

DEPENDENCE REPORT SUBMITTED

Franz Haniel & Cie. GmbH, Duisburg, Germany is the majority shareholder of TAKKT AG. The Management Board has therefore provided the Supervisory Board with a report on relations with affiliated companies as stipulated in section 312 of the German Stock Corporation Act. The dependence report comes to the following conclusion: "In summary, we declare that TAKKT AG has received adequate payment for every transaction according to the circumstances known at the time when the transactions were undertaken, and was not put at a disadvantage as a result of the measures."

REMUNERATION REPORT

The remuneration report explains the principles of the Management Board remuneration system of TAKKT AG and describes the structure and amount of the Management Board remuneration. In addition, it describes the structure and amount of the remuneration of the Supervisory Board. It is part of the combined management report and meets the requirements of the German Commercial Code (HGB) together with German Accounting Standard 17 (DRS 17) and the International Financial Reporting Standards (IFRS). It also takes into consideration the recommendations of the German Corporate Governance Code (DCGK).

MAIN FEATURES OF THE REMUNERATION SYSTEM

The Management Board of TAKKT AG is primarily responsible for the sustained success of the company and therefore receives remuneration that is appropriate for its duties and the economic position of the Group. The remuneration paid is based on the company's size, its financial position, and the structure and amount of the remuneration paid to Board members at comparable companies. The Supervisory Board regularly reviews the structure and appropriateness of the remuneration system as well as the level of remuneration.

The remuneration paid to Board members is made up of non-performance-related and performance-related components. The components of the performance-related payments consist of the annual bonus and the performance cash plan, a rolling remuneration component that acts as a long-term incentive. In addition, the members of the Management Board receive entitlements for pensions and survivors' benefits in the event of termination of their duties.

As in the previous year, the fixed basic salary contributes around 40 percent to the total target remuneration (excluding service cost). The variable components make up around 60 percent of the total target remuneration, with approximately 40 percent representing the short-term and 20 percent the long-term components.

NON-PERFORMANCE-RELATED REMUNERATION COMPONENTS

Fixed basic salary

All Board members receive an agreed annual basic salary. This is paid out in twelve equal monthly installments.

Fringe benefits

The fringe benefits comprise the use of company cars, accident insurance and luggage insurance. The Board members pay tax on

their use of a company car as this constitutes a remuneration component.

PERFORMANCE-RELATED REMUNERATION COMPONENTS

Bonus

The operating result of the fiscal year in question in form of the EBIT (earnings before interest and taxes) serves as the basis of valuation for the annual bonus. The annual bonus is determined by means of linear interpolation based on a target EBIT within a corridor of minus 30 percent to plus 30 percent. The target EBIT is annually calibrated based on a longer-term reference period. The figures from the annual multi-year planning for a fixed period of four years as well as the actual figures from the past fiscal years form the basis for this. This long-term consideration serves to align the bonus to a sustainable corporate performance. Its aim is to prevent the incentivization of the Management Board from being influenced too much by short-term measures to increase income or value.

The Supervisory Board may, at its due discretion, increase or decrease the amount of the bonus measured in accordance with the EBIT target corridor by 20 percent. The reasons for this include special performances, extraordinary events or pre-defined work-related targets. The total annual bonus paid out is capped at 200 percent of the target value. Management Board members may convert parts of their bonus into additional pension components, graded by age band.

Performance cash plans

The performance cash plans are launched each year and paid out in cash after a period of four years depending on whether the relevant targets are met. For 2019, a performance cash plan has been granted that is valid until 2022. The Supervisory Board decides at its due discretion about the conditions and scope of the performance cash plan to be issued in the year in question. The terms have not changed structurally compared to the previous year. The amount of the performance cash plan to be paid out depends on two predefined performance goals:

- The performance of Total Shareholder Return (TSR) over the term of the four-year plan. The TSR corresponds to the total return of the TAKKT share, taking paid dividends into account.
- The amount of the cumulative TAKKT value added (TVA) over the term of the four-year plan. The TVA indicator is used for value-based corporate management and shows whether the rates of return demanded by equity and debt investors are met.

The performance cash plans represent a clear orientation of the remuneration of the Management Board along a sustainable increase of the external and internal value of the company. The amount paid out under the performance cash plans is also capped. For performance cash plans, this cap is 300 percent of the target value.

Based on the current contractual agreements, the beneficiary has full entitlement to payment of the performance cash plan if the period of employment exists for at least twelve months from the beginning of the term of the performance cash plan. If an individual reaches retirement age or begins or terminates his/her Management Board membership within a calendar year, a pro rata calculation is made in the case of the recently established plan. The payout from the respective performance cash plan is carried out at the end of the four-year term.

For the 2020 financial year, it is planned to partially redefine the performance-related remuneration components.

Stock options are not considered part of the remuneration of the Management Board at TAKKT AG and there are no plans for this in the future.

MANAGEMENT BOARD REMUNERATION IN 2019 ACCORDING TO HGB

Total remuneration

The remuneration for acting members of the Management Board of TAKKT AG in the 2019 fiscal year comes to a total of EUR 3,529 (4,108) thousand. Of this, EUR 1,531 (1,556) thousand relate to non-performance-related components and EUR 1,998 (2,552) thousand to performance-related components.

The reported expenditure for the bonus was EUR 1,403 (1,946) thousand and includes a release of provisions of EUR 46 (0) thousand. The amount released came to EUR 17 (0) thousand for Felix Zimmermann, EUR 9 (0) thousand for Heiko Hegwein, EUR 10 (0) thousand for Dirk Lessing and EUR 10 (0) thousand for Claude Tomaszewski.

The remuneration for the performance cash plan comes to EUR 595 (606) thousand and corresponds to the value of the performance cash plan established in the respective fiscal year as of the date it was granted.

Disclosures in accordance with IFRS 2

The share-based component of the performance cash plan is classified as a share-based payment settled in cash in accordance with IFRS 2 and valued using a binomial model.

Total remuneration of the Management Board in EUR thousand 2019

	Non-performance-related remuneration		Performance-related remuneration		Total
	Basic remuneration	Fringe benefits	Bonus	Performance cash plan 2019	
Felix Zimmermann	500	16	503	212	1,231
Heiko Hegwein	345	17	319	135	816
Dirk Lessing (until October 31, 2019)	287	14	263	113	677
Claude Tomaszewski	345	7	318	135	805
	1,477	54	1,403	595	3,529

2018

	Non-performance-related remuneration		Performance-related remuneration		Total
	Basic remuneration	Fringe benefits	Bonus	Performance cash plan 2018	
Felix Zimmermann	500	13	686	212	1,411
Heiko Hegwein (as of February 1, 2018)	316	13	396	124	849
Dirk Lessing	345	17	432	135	929
Claude Tomaszewski	345	7	432	135	919
	1,506	50	1,946	606	4,108

The total expense or income for the performance cash plans includes the fair value of the vested right in the respective fiscal year the plan was established plus the change in value of already vested rights of the performance cash plans of the previous years. The liability from the performance cash plan is reassessed at the end of each reporting period and on the due date. Valuation is based on the expected development of the relevant success factors.

The fair value measurement of the performance cash plans of the previous years resulted in income that exceeded the expense for the plan newly established in absolute terms. The resulting total income came to EUR 69 (599) thousand in the year under review. Of this, EUR 29 (272) thousand were allotted to Felix Zimmermann, EUR 23 (195) thousand to Dirk Lessing and EUR 18 (195) thousand to Claude Tomaszewski. In contrast, there was an expense of EUR 1 (63) thousand for Heiko Hegwein.

The fair value of the performance cash plans from 2016, 2017, 2018 and 2019 (2015, 2016, 2017 and 2018) as well as the respective provision come to EUR 1,286 (2,024) thousand as of the end of the reporting period.

BENEFITS IN THE EVENT OF TERMINATION OF SERVICES

Pension and survivors' benefits

Management Board members receive an entitlement for pension and survivors' benefits, with annual contributions amounting to ten percent of the sum of their basic salary and target bonus. Contributions are only granted as long as the individual is appointed to the Management Board. The target bonus corresponds to a target achievement of one hundred percent. Interest rates of five respectively six percent p.a. are granted for contributions until pension payments begin. Board members are entitled to pension payments when they leave the company but not earlier than the member's 60th birthday. In the case of disability or death, the amount from the pension plan paid out or annuitized is equivalent to what would have been paid if contributions had been made up to the age of 63. Part of this commitment is hedged against

insolvency with commercially available products based on a contractual trust agreement.

The table below lists the current service costs for the year under review and present values of obligations for the members of the Management Board in accordance with IAS 19. Service costs, which arose from a separate agreement and cannot be allocated to the year under review, amounted to EUR 372 (0) thousand for Felix Zimmermann and EUR 350 (0) thousand for Claude Tomaszewski. For 2019, service costs for the Board members in the amount of EUR 1,302 (575) thousand were recognized as expenses.

Payments in the event of early termination

In the current contracts of the Management Board members, the limit of possible severance payments corresponds to the recommendations of the German Corporate Governance Code. According to the Code, the payments that could be paid in the event of a premature termination of the membership of the Management Board without cause may at most remunerate the remaining term and also not exceed the amount of two years' compensation.

Members of the Management Board have the right to terminate their contracts of employment if one or more shareholders acting together acquire the majority of voting rights in TAKKT AG within the meaning of sections 29ff. of the German Securities Acquisition and Takeover Act (WpÜG). In exercising this right of termination, the Board member has the right to severance pay amounting to a maximum of two years' compensation. Other sources of income are not taken into account. The right to a severance payment will not apply in the event of extraordinary termination of the contract of employment by the company for good cause.

Dirk Lessing stepped down from the TAKKT Management Board on October 31. Severance payments of EUR 1,800 thousand were granted to him for the premature termination of his Board position.

Pension commitments in EUR thousand

	IFRS		IFRS	
	Ongoing service cost		Present value of pension obligation as of 12/31	
	2018	2019	2018	2019
Felix Zimmermann	195	192	3,189	4,311
Heiko Hegwein (as of February 1, 2018)	122	135	125	306
Dirk Lessing (until October 31, 2019)	117	113	609	-
Claude Tomaszewski	141	140	2,175	3,136
	575	580	6,098	7,753

Benefits granted in EUR thousand

	Felix Zimmermann				Heiko Hegwein (as of February 1, 2018)			
	2018	2019	2019 (Min)	2019 (Max)	2018	2019	2019 (Min)	2019 (Max)
Fixed Salary	500	500	500	500	316	345	345	345
Fringe benefits	13	16	16	16	13	17	17	17
Total	513	516	516	516	329	362	362	362
One-year variable remuneration	500	500	0	1,000	289	315	0	630
Long-term variable remuneration								
Performance cash plan 2018–2021	212	-	-	-	124	-	-	-
Performance cash plan 2019–2022	-	212	0	635	-	135	0	405
Total	1,225	1,228	516	2,151	742	812	362	1,397
Service cost	195	192	192	192	122	135	135	135
Total remuneration	1,420	1,420	708	2,343	864	947	497	1,532

	Dirk Lessing (until October 31, 2019)				Claude Tomaszewski			
	2018	2019	2019 (Min)	2019 (Max)	2018	2019	2019 (Min)	2019 (Max)
Fixed Salary	345	287	287	287	345	345	345	345
Fringe benefits	17	14	14	14	7	7	7	7
Total	362	301	301	301	352	352	352	352
One-year variable remuneration	315	263	0	526	315	315	0	630
Long-term variable remuneration								
Performance cash plan 2018–2021	135	-	-	-	135	-	-	-
Performance cash plan 2019–2022	-	113	0	338	-	135	0	405
Total	812	677	301	1,165	802	802	352	1,387
Service cost	117	113	113	113	141	140	140	140
Total remuneration	929	790	414	1,278	943	942	492	1,527

Allocations in EUR thousand

	Felix Zimmermann		Heiko Hegwein (as of February 1, 2018)		Dirk Lessing (until October 31, 2019)		Claude Tomaszewski	
	2018	2019	2018	2019	2018	2019	2018	2019
Fixed Salary	500	500	316	345	345	287	345	345
Fringe benefits	13	16	13	17	17	14	7	7
Total	513	516	329	362	362	301	352	352
One-year variable remuneration	686	520	396	328	432	273	432	328
Long-term variable remuneration								
Performance cash plan 2014–2017	309	-	-	-	188	-	234	-
Performance cash plan 2015–2018	-	266	-	-	-	202	-	202
Total	1,508	1,302	725	690	982	776	1,018	882
Service cost	195	192	122	135	117	113	141	140
Total remuneration	1,703	1,494	847	825	1,099	889	1,159	1,022

MANAGEMENT BOARD REMUNERATION IN 2019 ACCORDING TO THE GERMAN CORPORATE GOVERNANCE CODE

In the tables above, the benefits granted, inflows and pension expenses for every member of the Management Board are shown individually in accordance with the recommendations under Clause 4.2.5 (3) of the German Corporate Governance Code.

In line with the German Corporate Governance Code and in deviation from the presentation according to HGB, the bonus (one-year variable remuneration) is stated as the target value in the table "Benefits granted." For the performance cash plan, along with the presentation according to HGB, the value of the plan established in the respective fiscal year is stated as of the date it was granted. The pension expenses correspond to the current service cost for the year under review according to IAS 19.

In line with the recommendations of the German Corporate Governance Code and in deviation from the presentation according to HGB, the bonus expense for the respective year under review is to be stated in the table "Allocations" (payments). For the performance cash plan, the payment made in the respective fiscal year is shown. In line with the German Corporate Governance Code, the pension expense corresponds to the current service cost for the year under review in accordance with IAS 19, even though it does not represent a current inflow but rather a provision for when the recipient is in retirement.

Service costs, which arose from a separate agreement and cannot be allocated to the reporting year, amounted to EUR 372 thousand (EUR 0 thousand) for Felix Zimmermann and EUR 350 thousand (EUR 0 thousand) for Claude Tomaszewski. They are therefore not included in the total remuneration for the 2019 reporting year shown in the table above.

OTHER DISCLOSURES

The Management Board has the option of acquiring TAKKT Performance Bonds. This involves a voluntary participation offer for TAKKT executives, which will allow them to take part in the economic development of the TAKKT Group through bonds. The return of this instrument results from a basic interest rate plus a premium or discount determined according to the performance of the TAKKT Group (TAKKT value added). The subscription amount as well as the attainable return have an upper limit. There are liabilities of EUR 1,371 (1,469) thousand to members of the Management Board from TAKKT Performance Bonds.

In addition, there are pension obligations from the voluntary conversion of part of the bonus into a pension plan (i.e., deferred compensation) in the amount of EUR 1,623 (1,160) thousand. In the fiscal year, the Management Board members voluntarily contributed EUR 100 (110) thousand from the bonus to this plan.

With respect to the members of the Management Board, there are the usual receivables and liabilities from order and employment contracts.

Customary D&O insurances have been taken out for the members of the Management Board. The deductible of the D&O liability insurance corresponds to ten percent of the damages in question, but no more than one and a half times the fixed annual basic salary in accordance with section 93(2) sentence 3 of the German Stock Corporation Act (AktG).

The members of the Management Board did not receive any benefits from third parties in the 2019 or 2018 fiscal years, which were either promised or granted to them in connection with their service on the Management Board.

As of December 31, 2019, the Management Board members held 13,036 (536) shares in TAKKT AG.

REMUNERATION OF FORMER BOARD MEMBERS OF TAKKT AG AND THEIR SURVIVING DEPENDENTS

The payments granted to former Board members of TAKKT AG and their surviving dependents in 2019 came to EUR 381 (379) thousand. The pension provisions for former members of the Management Board as well as their surviving dependents came to a total of EUR 8,953 (7,612) thousand as of December 31, 2019.

REMUNERATION OF THE SUPERVISORY BOARD

The Annual General Meeting on May 15, 2019 revised the regulations on the remuneration of the Supervisory Board and adjusted it to the level of comparable companies. The new remuneration applies retrospectively from the beginning of 2019. The previous remuneration regulation has remained unchanged since the 2013 fiscal year.

Each member of the Supervisory Board of TAKKT AG receives a fixed annual salary of EUR 55 thousand. The Chairman of the Supervisory Board receives double that amount; the Deputy Chairman receives EUR 25 thousand in addition to his fixed annual salary. Members of a Supervisory Board committee receive an additional fixed salary of EUR 3 thousand. The Chairman of the Supervisory Board committee receives double that amount; the Deputy Chairman receives one and a half times that amount. In addition, for each meeting of the Supervisory Board or a committee that they attend, each member receives an attendance fee of EUR 500 per day in attendance. TAKKT AG offers compensation for expenses to the members of the Supervisory Board and also reimburses them for the VAT due on their remuneration and compensation for expenses.

In total, the remuneration of the Supervisory Board in the year under review came to EUR 441 (400) thousand, of which EUR 410 (375) thousand were for activities in relation to the

Supervisory Board, EUR 13 (11) thousand for activities in relation to the committees as well as EUR 18 (14) thousand for attendance fees.

Of the claims granted, EUR 423 (386) thousand were still recorded as liabilities as of the end of the reporting period. As of December 31, 2019, the Supervisory Board members held 140 (140) shares in TAKKT AG.

Remuneration of the Supervisory Board in EUR thousand 2019

	Fixed payments	Committee remuneration	Attendance fees	Total
Florian Funck	89.5	3.8	3.0	96.3
Johannes Haupt	80.0	4.5	3.0	87.5
Thomas Schmidt (as of May 15, 2019)	34.7	-	2.5	37.2
Thomas Kniehl	55.0	-	3.0	58.0
Dorothee Ritz	55.0	-	3.0	58.0
Christian Wendler	55.0	3.0	2.5	60.5
Stephan Gemkow (until May 15, 2019)	40.7	2.2	1.0	43.9

2018

	Fixed payments	Committee remuneration	Attendance fees	Total
Stephan Gemkow	100.0	5.0	2.5	107.5
Johannes Haupt	75.0	3.8	2.5	81.3
Florian Funck	50.0	-	2.5	52.5
Thomas Kniehl	50.0	-	2.5	52.5
Dorothee Ritz	50.0	-	1.5	51.5
Christian Wendler	50.0	2.5	2.5	55.0