

# INVITATION TO THE 22ND SHAREHOLDERS' MEETING



**WE ARE ALL TAKKT.**

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# OVERVIEW WITH DISCLOSURES PURSUANT TO SECTION 125 OF THE GERMAN STOCK CORPORATION ACT [AKTG] IN CONJUNCTION WITH TABLE 3 OF THE IMPLEMENTING REGULATION (EU) 2018/1212

## A. Contents of this Notification

A1	Unique Event Identifier	976df6b06b82eb11811b005056888925
A2	Class of Notification	Invitation to the Shareholders' Meeting

## B. Information Relating to Issuer

B1	ISIN	DE 000 744 600 7
B2	Name of Issuer	TAKKT AG

## C. Information Relating to the Shareholders' Meeting

C1	Date of the Shareholders' Meeting	May 11, 2021
C2	Time of the Shareholders' Meeting	10:00 a.m. CEST (8:00a.m. UTC)
C3	Type of Meeting	Ordinary virtual Shareholders' Meeting without physical presence of shareholders or their proxies
C4	Venue of the Shareholders' Meeting	URL to the InvestorPortal (Internet-Service of the Corporation) for following the Annual General Meeting in image and sound and for exercising shareholder rights:  <a href="https://www.takkt.de/investoren/hauptversammlung/">https://www.takkt.de/investoren/hauptversammlung/</a>  The venue of the Annual General Meeting within the meaning of the German Stock Corporation Act [AktG]: TAKKT AG, Presselstraße 10, 70191 Stuttgart, Germany
C5	<a href="https://www.takkt.de/investoren/hauptversammlung/">https://www.takkt.de/investoren/hauptversammlung/</a>	April 19, 2021
C6	The venue of the Annual General Meeting within the meaning of the German Stock Corporation Act [AktG]: TAKKT AG, Presselstraße 10, 70191 Stuttgart, Germany	<a href="https://www.takkt.de/investoren/hauptversammlung/">https://www.takkt.de/investoren/hauptversammlung/</a>

# KEY FIGURES OF TAKKT GROUP

<i>in EUR million</i>	2016	2017	2018	2019	2020
<b>Sales</b>	<b>1,125.0</b>	<b>1,116.1</b>	<b>1,181.1</b>	<b>1,213.7</b>	<b>1,067.4</b>
Change in %	5.8	-0.8	5.8	2.8	-12.0
<b>EBITDA</b>	<b>171.3</b>	<b>150.3</b>	<b>150.1</b>	<b>150.2</b>	<b>96.2</b>
in % of sales	15.2	13.5	12.7	12.4	8.7
<b>EBIT</b>	<b>142.0</b>	<b>123.2</b>	<b>122.5</b>	<b>108.8</b>	<b>52.4</b>
in % of sales	12.6	11.0	10.4	9.0	4.9
<b>Profit before tax</b>	<b>132.5</b>	<b>115.0</b>	<b>116.9</b>	<b>100.6</b>	<b>46.6</b>
in % of sales	11.8	10.3	9.9	8.3	4.4
<b>Profit</b>	<b>91.4</b>	<b>96.3</b>	<b>88.1</b>	<b>74.7</b>	<b>37.2</b>
in % of sales	8.1	8.6	7.5	6.2	3.5
TAKKT cash flow	125.6	109.1	120.8	120.4	82.0
Capital expenditure for investments	17.4	27.8	25.0	24.7	13.3
FreeTAKKT-Cashflow	101.4	73.0	82.7	107.1	129.8
Capital expenditure for acquisitions	0.4	6.7	57.7	20.7	0.0
Depreciation, amortization and impairment	29.2	27.1	27.5	41.4	40.2
TAKKT cash flow per share in EUR	1.91	1.66	1.84	1.83	1.25
Earnings per share in EUR	1.39	1.47	1.34	1.14	0.57
Dividend per share in EUR	0.55	0.55	0.85	0.00	1.10*
<b>Non-current assets</b>	<b>729.9</b>	<b>692.6</b>	<b>758.6</b>	<b>835.5</b>	<b>781.1</b>
in % of total assets	74.9	74.6	73.1	75.9	77.8
<b>Total equity</b>	<b>537.8</b>	<b>567.8</b>	<b>631.4</b>	<b>644.2</b>	<b>649.6</b>
in % of total assets	55.2	61.2	60.8	58.5	64.7
<b>Net financial liabilities</b>	<b>177.5</b>	<b>135.2</b>	<b>150.8</b>	<b>189.8</b>	<b>75.4</b>
<b>Total assets</b>	<b>973.9</b>	<b>928.5</b>	<b>1,037.1</b>	<b>1,100.7</b>	<b>1,004.3</b>
ROCE (Return on Capital Employed) in %	16.5	14.6	14.0	11.1	5.6
TAKKT value added in EUR million	38.3	43.1	30.4	9.8	-23.2
<b>Employees (full-time equivalent) at year-end</b>	<b>2,311</b>	<b>2,405</b>	<b>2,530</b>	<b>2,483</b>	<b>2,327</b>

\* Dividend proposal: Dividend payment of EUR 0.55 for 2020 plus previous year's suspended base dividend of another EUR 0.55.

Stuttgart

Securities identification number 744 600

ISIN DE 000 744 600 7

This publication is available in German and English. In case of doubt, the content of the German version is decisive.

# INVITATION TO THE 22ND SHAREHOLDERS' MEETING

The shareholders of TAKKT AG are hereby invited to the 22nd annual Shareholders' Meeting of our company on May 11, 2021, at 10:00 a.m. Based on section 1(2) of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic (Act on COVID-19 Measures) in the version valid as of February 28, 2021, and with the authorization of the Supervisory Board, the Shareholders' Meeting will be held as a **virtual Shareholders' Meeting without the physical attendance** of the shareholders or their duly authorized representatives (with the exception of company proxies). The virtual Shareholders' Meeting will take place at the company's premises at Presselstraße 10, 70191 Stuttgart, Germany.

**Please be aware that shareholders and their duly authorized representatives may not personally attend the virtual Shareholders' Meeting at the company's premises.**

**The virtual Shareholders' Meeting will be broadcast live for registered shareholders on the internet under <https://www.takkt.de/investoren/hauptversammlung/>. Exercising voting rights will be done exclusively by postal voting or by issuing a power of attorney to the proxy named by the company.**

*Ladies and Gentlemen,*

the pandemic and its economic impact have been a litmus test for TAKKT. We were, however, able to draw on our experience from previous crises and benefit from it. Our crisis management can be divided into different phases. At the beginning of the pandemic in March and April, the focus was on protecting employees, continuing operations during the lockdown and safeguarding our financial independence and ability to act. This included extending and expanding credit lines with banks ahead of time, suspending the dividend and launching a comprehensive program to manage costs as well as inventories and receivables.

Beginning in May, we expanded our activities towards benefiting from the recovery following the lockdown. This also included expanding the range with products that were particularly in demand during the pandemic. As a result, we were able to stabilize order intake significantly from quarter to quarter. Since around the middle of the year, we have also been identifying and taking advantage of opportunities to develop new additional business. In addition to organic initiatives, this also includes examining potential acquisitions.

We responded to the crisis very quickly and used the flexibility of our business model to take effective cost-cutting countermeasures. Due to the pandemic, overall organic sales development in 2020 was minus 11.8 percent. Despite the significant decline in sales and one-time effects, resulting in a negative impact on earnings amounting to EUR 8.6 million, we were able to generate EBITDA of EUR 92.6 million and a high single-digit EBITDA margin. The significant increase in our free cash flow to EUR 129.8 million was particularly satisfying. We thus achieved the best figure in the company's history to date in the crisis year of 2020. Our management of receivables and liabilities allowed us to generate substantial cash inflows from the release of net working capital. We also benefited from the sale of real estate in the second quarter. The very good cash flow allowed us to pay off all bank liabilities over the course of the year. We are therefore starting the new year free of bank liabilities and in a very strong financial position.

Strategically, the focus in 2020 was the implementation of our new organizational structure. With TAKKT 4.0, we want to make the Group

more compact, achieve greater scalability of key supporting and non-operational functions and introduce new management methods and processes. Even though the coronavirus has cost us considerable time and resources, we still made good progress with the implementation of TAKKT 4.0. In the Omnichannel Commerce segment, KAISER+KRAFT is realigning itself in order to achieve stronger growth and greater efficiency in the medium term. In Web-focused Commerce, we have also made extensive preparations to establish new structures.

Hubert and Central follow a different business model from the other activities in Omnichannel Commerce. We therefore opted to form a third segment called Foodservice Equipment & Supplies at the beginning of 2021, which includes these two business units. This enables us to improve and strengthen the integration of the other businesses within Omnichannel Commerce. At the same time, we can continue to work on strategic options for Hubert and Central.

The pandemic and the related uncertainty and volatility has led to a shift in perspective towards more short-term developments. Despite these circumstances, we at TAKKT are looking far ahead and have developed a new vision for the Group. This vision serves as our guide and ambition for the transformation in which we find ourselves. It makes communication easier internally and externally, and shows where we want to be by 2025:

We are the most sustainable provider of workspace equipment. Committed to an outstanding customer experience, the responsible use of resources, and strong growth.

In keeping with the motto "We are all TAKKT", we want to strengthen our employees' identification with TAKKT in all business units and regions. We believe that a shared culture and identity will form the basis for our future success. Furthermore, our goal with the new vision is to be the most successful supplier in our market in terms of sustainability. Sustainability for us comprises environmental as well as economic and social components. We aim to impress customers with our outstanding performance and build long-term relationships with them. At the same

time, we will manage our resources in a very responsible manner, both with regard to natural resources and the environment as well as our employees. And we also want to achieve sustainable economic success and strong growth for the benefit of all our stakeholders. Our vision is ambitious and will serve as a guiding principle for our actions and decisions in the years to come.

There were two changes in the Management Board last year. We are delighted that we were able to gain Tobias Flaitz for TAKKT. He has many years of expertise with digital business models and has been responsible for developing the Web-focused Commerce segment since the beginning of June. Last year, Heiko Hegwein decided to leave the company in September 2020 for personal reasons and by mutual agreement with the Supervisory Board. On behalf of my fellow members of the Management Board, I want to express my deepest appreciation to Heiko Hegwein for his dedication and the excellent collaboration. We wish him every success and all the best for the future both professionally and personally. As CEO, I have assumed responsibility for the transformation of the Omnichannel Commerce segment for the time being.

In September, I informed the Supervisory Board that I would not be renewing my contract, which expires at the end of April 2023. Ensuring management continuity beyond 2023 is necessary in order to continue to successfully drive the transformation process forward. I would like to initiate the necessary generational change now and personally support it as much as possible. The Supervisory Board and I are currently working on a succession arrangement, which we want to implement in the current year.

The continued implementation of the transformation will also play a key role in shaping the current fiscal year. The focus will be on further developing the segment functions in Omnichannel and Web-focused Commerce. The further course of the pandemic as well as the timing and extent of the easing or tightening of protective measures continue to be important factors for our business development. At the beginning of the year, we will see negative growth rates compared to the corresponding period of the previous year, which had not yet been affected by the pandemic. We then expect to see a significant improvement and clear positive organic growth starting in the second quarter. For the full year of 2021, we want to achieve organic growth of between seven and twelve percent and will support this through the implementation of strategic growth initiatives. EBITDA is expected to increase significantly in 2021. With the planned organic growth and without acquisitions, disposals or additional significant impacts as a result of the pandemic, we expect EBITDA to be in the range of EUR 100 to 120 million in 2021.

In order to safeguard our financial independence and ability to act, we made the decision last year to suspend payment of the dividend in a very uncertain environment. We have made it through the crisis well so far, our equity ratio is over 60 percent and we generated high free cash flow. We now want to resume the reliable dividend policy of previous years and, besides a dividend payment of EUR 0.55 for the 2020 fiscal year, add another EUR 0.55 to make up for the suspended base dividend from the previous year. The Supervisory Board and Management Board therefore propose to the Shareholders' Meeting a total dividend payment of EUR 1.10 per share. This dividend proposal is subject to the condition that the negative effects of the pandemic do not worsen significantly in the weeks leading up to the Shareholders' Meeting.

The past year has put a great deal of strain on all of us. The spread of the novel coronavirus had a marked impact on our business performance in Europe and the US. Unlike many previous crises, however, the pandemic also had a direct impact on our immediate professional environment, on how we work in the TAKKT Group. As the employer of over 2,500 people worldwide, we bear a great deal of responsibility in a situation like this, which we must live up to.

We are fully aware that 2020 has been a difficult year for all our employees. We are proud of how well we responded to the challenges and the new circumstances that resulted from the pandemic. Therefore, on behalf of my fellow members of the Management Board, I especially want to thank our employees for their outstanding work and dedication. In addition, I would like to thank our customers, partners and shareholders for their continued trust during this transformation phase.

Stuttgart, March 2021

A handwritten signature in black ink, reading "Felix Zimmermann". The signature is written in a cursive, flowing style.

Felix Zimmermann  
(CEO of TAKKT AG)

# I. AGENDA

1. PRESENTATION OF THE APPROVED ANNUAL FINANCIAL STATEMENTS, THE APPROVED CONSOLIDATED FINANCIAL STATEMENTS, THE COMBINED MANAGEMENT REPORT FOR TAKKT AG AND THE TAKKT GROUP, WITH THE EXPLANATORY REPORT BY THE MANAGEMENT BOARD ON DISCLOSURES AS REQUIRED BY SECTIONS 289A(1) AND 315A(1) OF THE GERMAN COMMERCIAL CODE (HGB) AND THE REPORT BY THE SUPERVISORY BOARD FOR THE 2020 FINANCIAL YEAR

The aforementioned documents can be viewed and downloaded on the company's website at

<https://www.takkt.de/investoren/hauptversammlung/>

starting from the date of the invitation to the Shareholders' Meeting. Further information can be found in [section II, point 10] of this invitation.

The annual financial statements and the consolidated financial statements prepared by the Management Board were approved by the Supervisory Board on March 26, 2021 in accordance with sections 172 and 173 of the German Stock Corporation Act (AktG) and the financial statements were thereby adopted. Adoption of the annual financial statements by the Shareholders' Meeting is therefore not required. The annual financial statements, the consolidated financial statements and the combined management report for TAKKT AG and the TAKKT Group, with the explanatory report by the Management Board on disclosures as required by sections 289a(1) and 315a(1) German Commercial Code (HGB) and the report by the Supervisory Board are to be made available at the Shareholders' Meeting; a resolution on these documents is not required under AktG.

## **2. ADOPTION OF A RESOLUTION PERTAINING TO THE UTILIZATION OF THE UNAPPROPRIATED PROFITS AVAILABLE FOR DISTRIBUTION FROM THE 2020 FINANCIAL YEAR**

The Management Board and the Supervisory Board propose that the unappropriated profits of EUR 110,184,159.29 reported in the approved annual financial statements of TAKKT AG as of December 31, 2020, be used as follows:

- (a) Payment of a dividend of EUR 1.10 per no-par-value bearer share on the dividend-bearing share capital of EUR 65,610,331.00 to the shareholders, i.e., distribution totaling EUR 72,171,364.10.
- (b) The remaining unappropriated profits available for distribution of EUR 38,012,795.19 shall be carried forward.

The dividend is payable on May 17, 2021.

## **3. ADOPTION OF A RESOLUTION PERTAINING TO THE DISCHARGE OF THE MEMBERS OF THE MANAGEMENT BOARD FOR THE 2020 FINANCIAL YEAR**

The Management Board and Supervisory Board propose to discharge the members of the Management Board in the 2020 financial year for this period.

## **4. ADOPTION OF A RESOLUTION PERTAINING TO THE DISCHARGE OF THE MEMBERS OF THE SUPERVISORY BOARD FOR THE 2020 FINANCIAL YEAR**

The Management Board and Supervisory Board propose to discharge the members of the Supervisory Board in the 2020 financial year for this period.

## 5. CHOICE OF THE AUDITOR FOR THE COMPANY'S FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2021 FINANCIAL YEAR

The Supervisory Board proposes that Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Kronenstrasse 30, 70174 Stuttgart, be chosen as the auditor for the company's financial statements and the consolidated financial statements for the 2021 financial year.

## 6. APPROVAL OF THE REMUNERATION SYSTEM FOR BOARD MEMBERS

Section 120a(1) AktG was introduced by the German Act Implementing the Second Shareholder Rights Directive (ARUG II). Accordingly, the Shareholders' Meeting of the listed company decides on the approval of the remuneration system for the Management Board members presented by the Supervisory Board in the event of any material change made to the system, and at least every four years.

On March 26, 2021 the Supervisory Board adopted the remuneration system set out in Annex 1 of this invitation. Annex 1 is a part of this invitation.

The Supervisory Board proposes that the remuneration system for the members of the Management Board adopted by the Supervisory Board and shown in **Annex 1** be approved.

## 7. APPROVAL OF THE REMUNERATION SYSTEM FOR SUPERVISORY BOARD MEMBERS

In accordance with section 113(3) sentence 1 AktG, in the case of listed companies, a resolution on the remuneration of Supervisory Board members must be passed at least every four years. According to section 113(3) sentence 2 AktG, a resolution confirming the remuneration is permissible. Section 113(3) AktG was amended by ARUG II.

The remuneration of the Supervisory Board is set out in section 10 of the articles of association and was adopted by the Shareholders' Meeting on May 15, 2019. Accordingly, in addition to reimbursement of their expenses, each member of the Supervisory Board receives a fixed remuneration for each fiscal year, an additional fixed remuneration for sitting on a Supervisory Board committee, and an attendance fee for each physical meeting of the Supervisory Board or of a committee of the Supervisory Board that they personally attend. For the chairman and deputy chairman of the Supervisory Board as well as the chairman and deputy chairman of a committee, a higher (fixed) remuneration is provided for based on the assumed duties. This remuneration system is in accordance with the statutory provisions and takes particular account of Principle 24 as well as recommendations and proposals G. 17 and G. 18 of the German Corporate Governance Code (DCGK).

The remuneration of the Supervisory Board set out in section 10 of the articles of association is provided in Annex 2 of this invitation. The Management Board and Supervisory Board find that the remuneration set out in section 10 of the articles of association is still appropriate.

The Management Board and Supervisory Board propose that the remuneration system for Supervisory Board members, as set out in section 10 of the articles of association, be confirmed.

## II. FURTHER INFORMATION ON CONVENING

### 1. REQUIREMENTS FOR ATTENDING THE VIRTUAL SHAREHOLDERS' MEETING ONLINE AND FOR EXERCISING VOTING RIGHTS

The Shareholders' Meeting will be held as a virtual Shareholders' Meeting without the actual physical attendance of shareholders or their duly authorized representatives (with the exception of the proxy appointed by the company), section 1(2) of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic (Act on COVID-19 Measures) in the version valid as of February 28, 2021. The Shareholders' Meeting will take place with the attendance of the Chairman of the Supervisory Board and the Chairman of the Management Board as well as of a notary commissioned with the writing of the minutes at the company's premises at Presselstrasse 10, 70191 Stuttgart.

The entire Shareholders' Meeting will be broadcast in audio and video on the internet through the password-protected InvestorPortal at:

<https://www.takkt.de/investoren/hauptversammlung/>

Exercising voting rights will be done exclusively by postal voting or by issuing a power of attorney to the proxy named by the company. Shareholders shall have the right to ask questions by way of electronic communication and shareholders who have exercised their voting rights will be able to object to decisions taken at the Shareholders' Meeting by way of electronic communication.

Only the shareholders who have registered in writing (section 126b BGB) for the Shareholders' Meeting will be able to follow the entire Shareholders' Meeting online and to exercise their voting rights.

Furthermore, shareholders must be able to demonstrate that they are eligible to follow the Shareholders' Meeting online and exercise their voting rights. Proof of share ownership in text form (section 126b German Civil Code [BGB]) issued by the last intermediary in accordance with section 67c(3) AktG is sufficient for this purpose. Evidence of shares not held in a central securities depository can also be provided by the company or a bank upon presentation of the shares. Evidence of share ownership must be applicable as at the start of the twenty-first day before the Shareholders' Meeting, i.e., April 20, 2021, at 12:01 a.m. (record date).

Registrations and evidence of eligibility must be submitted in German or English and must reach the company at the following address by May 4, 2021 (midnight) at the latest:

TAKKT AG  
c/o Computershare Operations Center  
80249 Munich, Germany  
Fax: +49 89 30 90 37 – 4675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

After registering for the Shareholders' Meeting, shareholders will receive a confirmation of registration with their login details for registration in the electronic InvestorPortal at

<https://www.takkt.de/investoren/hauptversammlung/>

as well as written power of attorney and absentee voting documents. Shareholders are requested to contact their custodian bank or last intermediary in accordance with section 67c(3) AktG as early as possible in order to arrange their registration for the Shareholders' Meeting.

## 2. SIGNIFICANCE OF THE RECORD DATE

The record date is the decisive date for the eligibility to follow the entire meeting online and to exercise voting rights. Only those who have provided evidence of share ownership by the record date are considered by the company to be eligible to follow the virtual Shareholders' Meeting and to exercise a right to vote as a shareholder. This means that shareholders who acquired their shares after the record date are not permitted to follow the Shareholders' Meeting online in their own name with these shares and are therefore not entitled to vote. Changes in shareholdings after the record date are not taken into account in determining the registered shareholder's eligibility to exercise their rights. Shareholders who have correctly registered and provided evidence of share ownership are authorized to follow the Shareholders' Meeting online and exercise a right to vote even if they sell the shares after the record date. The record date has no effect on the availability for sale of the shares and the date is not relevant for calculating potential dividend entitlements.

## 3. TOTAL NUMBER OF SHARES AND VOTING RIGHTS

At the time of convening the Shareholders' Meeting, the share capital of the company is divided into 65,610,331 no-par-value bearer shares. Each share grants the bearer one vote. The company does not have any treasury shares at the time of convening the Shareholders' Meeting. The total number of shares entitled to participate and vote amounts to 65,610,331 at the time of convening.

## 4. POSTAL VOTING PROCEDURE

Shareholders may vote in writing or by way of electronic communication without taking part at the Shareholders' Meeting (voting by post). Only shareholders who have registered for the Shareholders' Meeting by the stipulated date and have duly proven that they are eligible to follow the entire Shareholders' Meeting online and exercise voting rights will be entitled to a postal vote (see item 1 above).

The company's InvestorPortal is available for electronic postal voting at <https://www.takkt.de/investoren/hauptversammlung/>

until the end of the Q&A round with the Management Board during the Shareholders' Meeting.

Alternatively, shareholders can use the form sent to them following their registration for the purpose of voting by post. Votes cast by post must reach the company in writing at the following address at the latest on May 10, 2021, at midnight:

By post:

TAKKT AG,

c/o Computershare Operations Center,

80249 Munich, Germany

By fax: +49 89 30 90 37 – 4675

By email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

After this deadline, voting by post may only still be exercised through the company's InvestorPortal until the end of the Q&A session with the Management Board during the Shareholders' Meeting.

Authorized proxy intermediaries, associations of shareholders, voting advisors and persons of comparable standing in accordance with the German Stock Corporation Act may also vote by post.

## 5. VOTING BY PROXY

Shareholders who do not wish to personally follow the virtual Shareholders' Meeting or personally exercise their voting right by post may appoint a proxy to exercise their right on their behalf, for example intermediaries, associations of shareholders or other persons. Here, too, the shareholder or the duly authorized representative must ensure that proper and timely registration and evidence of share ownership are observed (cf. item 1 above). These duly authorized

representatives may also only exercise the voting right at the Shareholders' Meeting voting by post or through the authorization of the proxy appointed by the company.

The granting of proxy, its rescission and the proof of authorization for the company must be made in writing or can be done electronically at

<https://www.takkt.de/investoren/hauptversammlung/>

using the provided InvestorPortal. After registering, shareholders will be sent their login details for the InvestorPortal and forms for granting powers of proxy.

The proxy powers granted to authorized proxy intermediaries, associations of shareholders, voting advisors and persons of comparable standing within the scope of the special provision contained in the German Stock Corporation Act (section 135 AktG) applicable to them may be subject to different requirements. The respective proxy prospect may be asked to meet these requirements.

The company offers its shareholders the possibility to allow a proxy appointed and supervised by the company to represent them in exercising their voting rights. If shareholders grant their power of attorney to the proxy appointed and supervised by the company, they will need to provide instructions for exercising their voting rights in addition to their authorization. Company proxies are obligated to vote in accordance with their instructions and may not exercise the voting rights at their own discretion. Authorizations and instructions to the proxy appointed and supervised by the company can be issued electronically through the company's InvestorPortal at

<https://www.takkt.de/investoren/hauptversammlung/>

This possibility is available until the end of the Q&A round with the Management Board during the Shareholders' Meeting. Alternatively,

authorizations and instructions to the proxy appointed by the company can be issued by using the forms for granting powers of proxy sent following registration.

Completed forms for granting powers of proxy must reach the company in writing at the following address at the latest on May 10, 2021, at midnight:

By post:

TAKKT AG

c/o Computershare Operations Center

80249 Munich, Germany

By fax: +49 89 30 90 37 – 4675

By email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

After this deadline, authorizations and instructions to the proxy appointed by the company may only still be issued through the company's InvestorPortal until the end of the of the Q&A session with the Management Board during the Shareholders' Meeting.

## **6. ADDITIONAL AGENDA ITEM PROPOSALS PURSUANT TO SECTION 122(2) AKTG**

Shareholders whose shares together make up one twentieth of the share capital or who have shares of EUR 500,000.00 may request items to be added to the agenda and publicized.

Requests for additional agenda items must reach the company in writing at the address shown under [point 7] below at least thirty days before the meeting, i.e., by midnight on April 10, 2021. Each new agenda item must be supported by a statement of reasons or a resolution proposal.

## 7. COUNTERMOTIONS OR ELECTION PROPOSALS IN ACCORDANCE WITH SECTIONS 126 AND 127 AKTG

Furthermore, every shareholder has the right to submit counter motions to agenda items (section 126 AktG) or proposals for the election of Supervisory Board members or auditors (section 127 AktG). Counter motions must be supported by a statement of reasons.

Counter motions in accordance with section 126 AktG and shareholders' election proposals in accordance with section 127 AktG must be submitted exclusively to the following address:

By post:  
TAKKT AG  
Group Legal  
Presselstrasse 12  
70191 Stuttgart, Germany  
By fax: +49 711 3465 – 898134  
By email: [recht@takkt.de](mailto:recht@takkt.de)

Any counter motions or election proposals sent to a different address will not be taken into consideration.

We will publish the shareholders' counter motions and election proposals to be made available including the name of the shareholder and any statements of reason to be made available on our website,

<https://www.takkt.de/investoren/hauptversammlung/>

Only counter motions and election proposals relating to items on this agenda that reach the above address by midnight on April 26, 2021 will be considered. Any comments by the management relating to such motions can likewise be found on the website as described above.

Shareholders' election proposals pursuant to section 127 AktG shall only be made available if they contain the name, profession and place of residence of the nominee and, in the case of a proposal for election to the Supervisory Board, details of the nominee's membership in other statutory supervisory boards.

Motions or election proposals by shareholders to be made available in accordance with sections 126 or 127 AktG are considered to have been made in the meeting if the shareholder proposing the motion or election proposal is duly authorized and has registered for the Shareholders' Meeting.

#### **8. SHAREHOLDERS' RIGHT TO ASK QUESTIONS IN ACCORDANCE WITH SECTION 1(2) NO. 3 OF THE ACT ON COVID-19 MEASURES**

Shareholders who have registered for the Shareholders' Meeting may ask questions to the Management Board about company matters, the company's legal and business relationships with affiliated companies, the situation of the Group and the entities included in the consolidated financial statements as long as the requested information is necessary for the proper appraisal of an agenda item. Shareholders may submit their questions via the company's InvestorPortal until May 10, 2021 by 10:00 a.m. at the latest at

<https://www.takkt.de/investoren/hauptversammlung/>

Questions submitted after this deadline will not be considered. No questions may be asked during the Shareholders' Meeting. Questions will be answered by the Management Board during the Shareholders' Meeting. In accordance with section 1(2) sentence 2, first half-sentence of the Act on COVID-19 Measures, the Management Board decides, according to its duly exercised, free discretion, how it responds to questions.

## **9. OPPORTUNITY TO OBJECT TO DECISIONS OF THE VIRTUAL SHAREHOLDERS' MEETING IN ACCORDANCE WITH SECTION 1(2) NO. 4 OF THE ACT ON COVID-19 MEASURES**

Shareholders who exercised their right to vote by post or through a proxy may, in deviation from section 245 no. 1 AktG, object in person or through an authorized representative to decisions taken by the virtual Shareholders' Meeting without having to be physically present at the Shareholders' Meeting. The corresponding declarations must be submitted to the company via the company's InvestorPortal at

<https://www.takkt.de/investoren/hauptversammlung/>

Declarations are made possible by the meeting chairperson from the beginning of the Shareholders' Meeting until its closing.

## **10. PUBLICATIONS ON THE WEBSITE / ADDITIONAL INFORMATION REGARDING THE BROADCAST OF THE VIRTUAL SHAREHOLDERS' MEETING AND THE USE OF THE INVESTORPORTAL**

The following information is also available on the company's website at <https://www.takkt.de/investoren/hauptversammlung/>:

- The contents of this notice convening the Shareholders' Meeting
- An explanation where no resolution is to be passed for an agenda item
- Any documents to be made available, including in particular the following:
  - o The consolidated financial statements of TAKKT AG
  - o The annual financial statements of TAKKT AG

- o The combined management report for TAKKT AG and the TAKKT Group, with the explanatory report by the Management Board on disclosures as required by sections 289a(1) and 315a(1) HGB for 2020.
  - o The report by the Supervisory Board
- The total number of shares and voting rights at the time the meeting was convened
- Information on the rights of shareholders: Additional agenda items as well as counter motions or election proposals, right to ask questions and right to object.

The approved voting results will be published on the company's website under <https://www.takkt.de/investoren/hauptversammlung/> following the Shareholders' Meeting.

Shareholders who have registered for the Shareholders' Meeting may follow the entire Shareholders' Meeting live online via the InvestorPortal at

<https://www.takkt.de/investoren/hauptversammlung/>

The login details for the registration in the electronic InvestorPortal as well as power of attorney and absentee voting forms will be sent to shareholders following their registration for the Shareholders' Meeting. Following the Shareholders' Meeting online does not enable participation in the Shareholders' Meeting in accordance with section 118(1) sentence 2 AktG.

## 11. PRIVACY POLICY

When shareholders register for the Shareholders' Meeting and/or authorize a proxy, TAKKT AG as the responsible body processes personal data of shareholders and/or authorized third parties. Processing is carried out exclusively for the purpose of preparing and holding the Shareholders' Meeting. Details on the handling of personal data and the rights of data subjects can be found on our website for the Shareholders' Meeting at

<http://www.takkt.de/datenschutz-hv>.

If you also wish to receive the privacy policy in paper form, please contact the following address:

By post:

TAKKT AG

Group Legal

Presselstrasse 12

70191 Stuttgart, Germany

By fax: +49 711 3465 – 898134

By email: [recht@takkt.de](mailto:recht@takkt.de)

## 12. ADDITIONAL INFORMATION

Additional details on the Shareholders' Meeting, voting by post, and authorizing and instructing proxies will be sent to shareholders together with the confirmation of their registration and will be made available on

<https://www.takkt.de/investoren/hauptversammlung/>

Stuttgart, March 2021

Management Board

# **ANNEX 1: REMUNERATION SYSTEM FOR BOARD MEMBERS PURSUANT TO SECTION 87A(1) OF THE GERMAN STOCK CORPORATION ACT (AKTG) (AGENDA ITEM 6)**

## **I. PRINCIPLES OF THE REMUNERATION SYSTEM FOR BOARD MEMBERS**

The Management Board remuneration system is closely linked to TAKKT's sustainable corporate strategy and makes a key contribution to achieving the corporate goals. 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 remuneration paid to Board Members is made up of non-performance-related and performance-related components. The performance-related components are designed to provide both short-term and long-term incentives. Focusing more on the long-term incentive effect, which is based on the total return of the TAKKT share including paid dividends, brings the Management Board's objectives even closer into line with the interests of the company's shareholders.

The remuneration system set out below applies to all Management Board contracts to be concluded for the first time or extended from January 1, 2020, onwards. With the exception of the contractual safeguard clause that applies in the event of a change of control, the current Management Board contracts of those Board Members that are active at the present time have already been amended to reflect the remuneration system set out below by concluding corresponding amendment agreements, which are also effective as of January 1, 2020.

## II. ESTABLISHMENT, REVIEW AND IMPLEMENTATION OF THE REMUNERATION SYSTEM

The Management Board remuneration system was adopted by the Supervisory Board after being prepared by the Personnel Committee in accordance with sections 87(1), 87a(1) AktG. Among other things, the remuneration system was developed by the Personnel Committee based on an expert opinion on the system. The expert opinion on the system formed part of an appropriateness opinion prepared by independent remuneration experts. The Personnel Committee is responsible for preparing the resolutions to be passed by the Supervisory Board on the remuneration system and for reviewing the system on a regular basis. The Personnel Committee and the Supervisory Board take the requirements set out in the German Stock Corporation Act (AktG) into account in all of their remuneration decisions and are guided by the recommendations made in the German Corporate Governance Code and by the following guidelines:

- Performance-based focus of the remuneration system
- Promotion of the company's long-term sustainable development and value generation
- Ensuring remuneration that is in line with market standards
- Conformity with stock corporation law and governance requirements.

The Personnel Committee reviews whether the Management Board remuneration and the individual components are in line with market standards, competitive and appropriate at regular intervals on the basis of appropriateness opinions, and makes proposals for adjustments to the Supervisory Board as and when required. The assessment as to whether the remuneration is in line with market standards, competitive and appropriate is based on a comparison with similar companies (peer group), on the company's economic position and its future prospects, and on the remit and performance of the

Board Member in question. The Supervisory Board conducts regular horizontal and vertical comparisons for this purpose. The horizontal comparison looks at peer group companies, while the vertical comparison assesses the remuneration paid to the Management Board in relation to the remuneration paid to senior executives (level n-1) within the company and the company's workforce as a whole.

The Supervisory Board presents the remuneration system it has adopted to the Shareholders' Meeting for approval after every material change, but at least every four years, and for the first time at the 2021 Shareholders' Meeting. If the Shareholders' Meeting does not approve the system that is presented, the Supervisory Board presents a revised remuneration system to the Shareholders' Meeting for approval at the following ordinary Shareholders' Meeting at the latest.

The Supervisory Board and its Personnel Committee take appropriate measures to ensure that conflicts of interest involving the members of the Supervisory Board involved in the discussions and decisions on the remuneration system are avoided, and that any existing conflicts of interest are resolved. Each member of the Supervisory Board is obliged to report conflicts of interest to the Chairman of the Supervisory Board. The Chairman of the Supervisory Board has to disclose conflicts of interest to his deputy. The Supervisory Board makes decisions on how to deal with a conflict of interest on a case-by-case basis. Possible measures include, in particular, prohibiting a Supervisory Board member who is affected by a conflict of interest from participating in a meeting or from participating in individual discussions or decisions of the Supervisory Board/the Personnel Committee.

### III. STRUCTURE OF THE REMUNERATION SYSTEM

#### 1. Remuneration system at a glance

The Management Board remuneration system at TAKKT comprises non-performance-related and performance-related remuneration components, as well as occupational pension benefits. Non-performance-related remuneration comprises a fixed basic salary that is paid monthly, the occupational pension scheme and fringe benefits. Fringe benefits include, for example, the use of a company car and a cellphone. The performance-related (variable) remuneration is based on two components. It comprises a one-year Short Term Incentive Plan (STI), which is based primarily on EBITA as a performance criterion, and a four-year Long Term Incentive Plan (LTI). From 2020 onwards, the LTI will be based exclusively on the development of TAKKT's total shareholder return (TSR), i.e. on the performance of TAKKT shares. The performance-related remuneration component is subject to an overall cap with regard to both the STI and the LTI.

#### 2. Remuneration components and structure

The target total remuneration is defined as the total of non-performance-related remuneration (fixed basic salary, occupational pension and fringe benefits) and variable (performance-related) remuneration (STI and LTI if the target achievement level is 100 %). The annual basic salary makes up between 33 % and 39 % of the target total remuneration for the Board Members. Fringe benefits account for between 1 % and 2 % and the occupational pension scheme makes up 7 % of the target total remuneration. The STI (excluding deferral) corresponds to between 24 % and 29 % of the target total remuneration, while the LTI (including STI deferral) corresponds to between 28 % and 30 %. In line with the focus on performance, this means that the share of variable remuneration exceeds the share of fixed remuneration. The STI (excluding deferral) and LTI (including STI deferral) are split more or less 50/50.

The relevant share of the individual remuneration components can differ slightly for new employee hires and also depending on how individual Board Members make use of the fringe benefits and the individual occupational retirement costs. In addition, the shares set out above can differ in the event that payments are made to new employee hires when they take up their positions. In such cases, the Supervisory Board decides on the amount of such payments at its due discretion.

#### IV. STRUCTURE OF THE REMUNERATION SYSTEM IN DETAIL

##### 1. Non-performance-related remuneration

###### a) Fixed basic salary

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

The amount of the annual basic salary is based on the Board Member's experience and the relevant standard market remuneration paid, based on the horizontal comparison, for the function/responsibility concerned.

###### b) Occupational pension scheme

###### aa) Contribution plan

The Board Members receive entitlements for pensions and survivors' benefits in the form of a direct defined contribution commitment to which an annual contribution corresponding to 10 % of the total basic salary plus the contractually agreed STI target amount (100 % target achievement) is made. Contributions are only granted as long as the individual is appointed to the Management Board. Interest rates of 5 % per year are granted for the annual contributions until pension payments begin, and 6 % per year for older contributions. All of the commitments made from 2020 onwards mean that Board Members are entitled to pension payments when they leave the company but

not earlier than the member's 62nd 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. The part of this commitment that exceeds the protection ceiling of the statutory agency providing insolvency protection for occupational pension schemes is hedged against insolvency with commercially available products based on a contractual trust agreement.

#### bb) Deferred compensation

Management Board members may convert parts of their STI payments into additional pension components, graded by age band. The maximum deferred compensation is EUR 75,000 a year in the 61 to 65 age band. By opting to do without gross STI payment amounts, the Board Members acquire benefit component entitlements vis-à-vis the company. The pension benefits are granted as entitlements for pensions and survivors' benefits and in the event of disability. Amounts converted from 2021 onwards bear interest at a rate of 4 % per year until pension payments begin; amounts converted since 2014 bear interest at a rate of 5 % per year.

#### c) Fringe benefits

The fringe benefits mainly comprise the use of company cars and cellphones. Board Members are also reimbursed for expenses incurred in the interests of the company (travel, representation and hospitality expenses) that they can substantiate by submitting receipts up to the maximum limits permitted under tax law. In addition, accident, luggage and D&O insurance is taken out for the Management Board members, the latter with a deductible of 10 % to be borne by the Board Member.

#### d) Other fixed remuneration components

The Supervisory Board can grant further payments to new employee hires on a case-by-case basis at its own discretion. These payments can be one-time payments (e.g. to compensate for other remuneration the individual would have been entitled to) or the assumption of costs associated with the move to the company (relocation costs, etc.). Due to the nature of the system for granting LTI tranches, the maximum remuneration is not exceeded for new employee hires in the year they join the company in relation to the payout.

## **2. Variable (performance-related) remuneration**

#### a) Short Term Incentive Plan (STI)

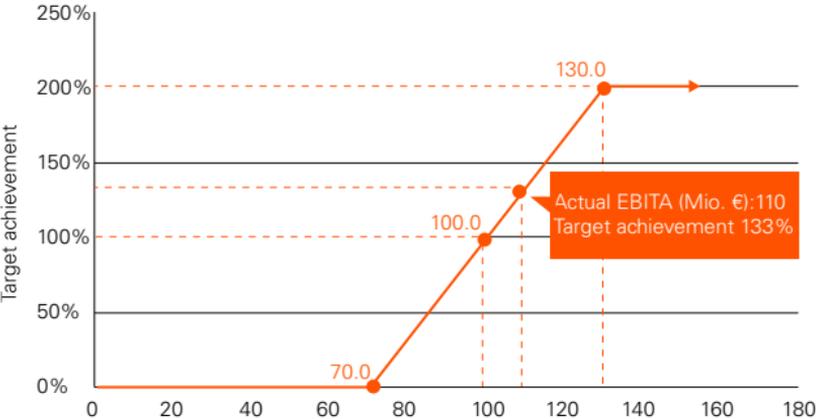
##### aa) Performance criterion

The operating result of the respective fiscal year before interest, taxes, depreciation and amortization or impairments from purchase price allocations (EBITA) serves as the basis of valuation for the STI. The EBITA is taken directly from TAKKT's audited consolidated financial statements. These financial statements are prepared in accordance with the IFRS regulations that apply at the time, taking into account the latest version of the accounting guidelines.

##### bb) Target achievement

The target achievement is determined by means of linear interpolation based on a target value within a corridor of minus 30 % (0 % of the target value) to plus 30 % (200 % of the target value).

The target value used to calculate the STI corresponds to the EBITA agreed between the Management Board and the Supervisory Board for the calendar year concerned. The EBITA target value is defined by the Supervisory Board by December 31 before the beginning of the fiscal year to which it applies.



In the example, the EBITA target is EUR 100 million, while the actual EBITA is EUR 110 million. This produces a target achievement of 133 %.

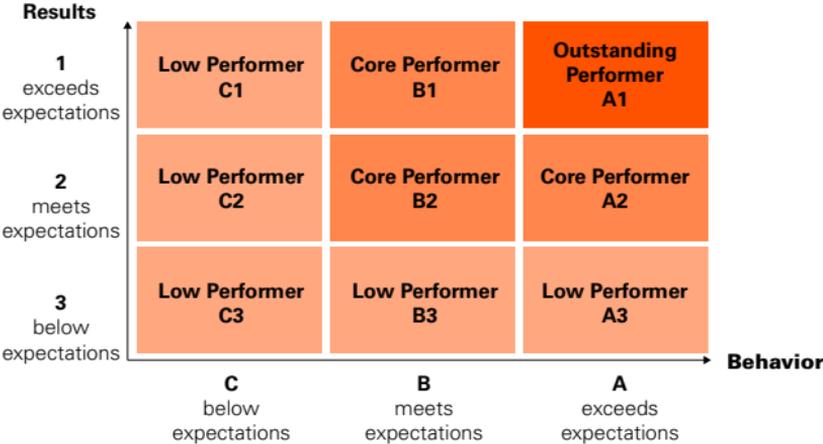
Payments are generally made if the target achievement level lies between 1 % and 200 %. The amount paid out is based on the Board Member’s individual performance. Individual performance is measured based on the achievement of individual goals (results) and individual behavior (behavior).

The individual goals are derived from the company's strategic goals and are agreed between the Chairman of the Supervisory Board and the members of the Management Board at the beginning of every fiscal year. They can be quantitative or qualitative goals. They are monitored on an ongoing basis and can be adjusted if necessary. Individual behavior is assessed based on the five TAKKT Core Behaviors:

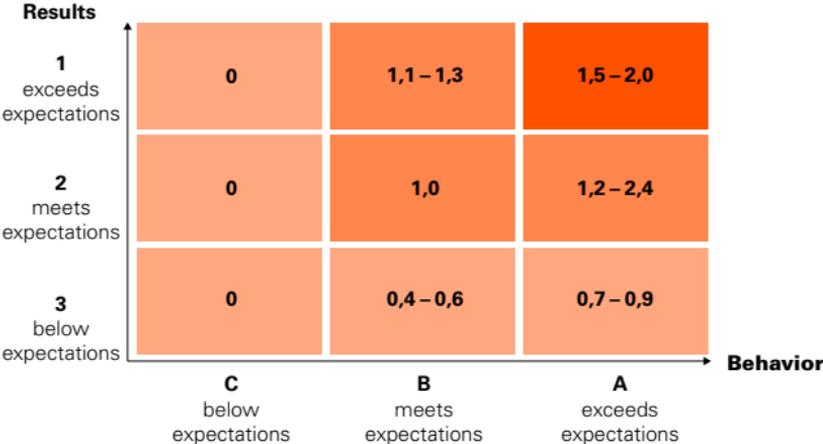
- **Think customer first:** We make it easy to do business with us. Our customer is the center of everything we do.
- **Empower others:** We engage our employees through open feedback, collaboration, transparency and teamwork.
- **Improve every day:** We challenge the status quo and quickly embrace change. We keep it simple and impactful.
- **Take ownership:** We are accountable for our targets.
- **Compete for success:** We are determined to win with a clear drive to reach our goals. We have the courage to make difficult decisions and always deliver on our commitments.

At the end of the fiscal year, the Board Members' performance is evaluated on the basis of a self-assessment as part of a calibration round. Results and behavior are assessed to determine whether a

Board Member met, fell short of, or exceeded, expectations. Depending on how the individual aspects are assessed, each Board Member is given a place in a “9-box grid” (see below).



Each field in the grid is assigned a modifier/modifier range. For the fields that include a range, the Supervisory Board decides on the final individual modifier at its due discretion based on a recommendation made by the Personnel Committee.



The payout is calculated based on the following formula:

Contractually agreed STI target amount x EBITA target achievement x modifier -> example: EUR 200,000 x 133 % x 1.2 = EUR 319,200

The amount paid is capped at 300 % of the contractually agreed STI target amount.

#### cc) Payout

Starting in the 2020 fiscal year, 70 % of the target achievement is disbursed in the performance period of the following year, and 30 % is retained for a period of three years after the end of the performance period (known as a deferral). Interest on the deferral is subject to the total shareholder return (TSR), with both positive and negative interest possible. Alongside the LTI, this approach serves to additionally 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 TSR is defined as follows:

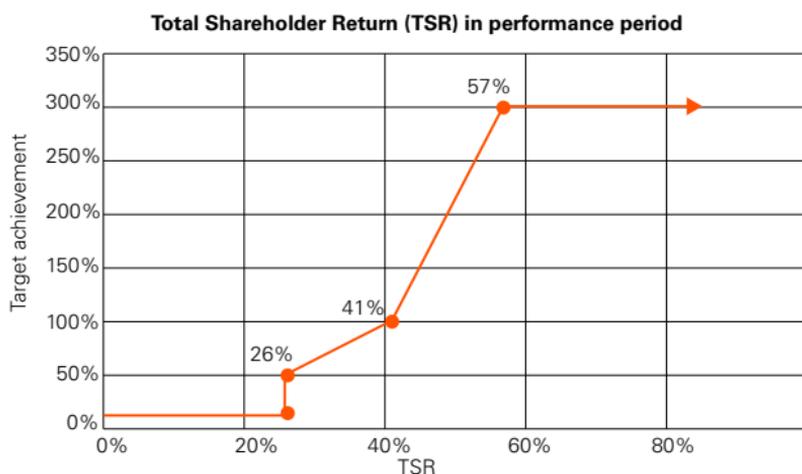
$(\text{number of shares} * \text{closing share price}) / \text{opening share price} - 1$

This involves comparing the average closing prices of TAKKT's shares in the XETRA trading system of Deutsche Börse AG over the last 60 stock exchange trading days before the start of the waiting period ("opening share price") with the average XETRA closing prices of the last 60 stock exchange trading days before the end of the waiting period ("closing share price"). The dividends paid by TAKKT during the waiting period are taken into account via a reinvestment assumption (pro rata acquisition of TAKKT shares at the XETRA closing price on the day of distribution in the amount of the dividend per share).

## b) Long Term Incentive Plan (LTI)

### aa) Performance criterion and target achievement

The LTIs in the form of performance cash plans are redefined each year and paid out in cash after a period of four years depending on whether the relevant targets are met. For 2020, a performance cash plan was granted that is valid until the end of 2023. The terms did not change structurally in 2020 compared to the previous year. In line with the plan established in 2020, the amount of the performance cash plan to be paid out depends solely on the development of total shareholder return (TSR, see 2 a) cc) for a definition) over the term of the four-year plan. The target value is achieved when the TSR is 9 % per year. The lower threshold that needs to be reached for a payout to be made is 6 % TSR per year. The upper threshold at which the payout is capped is 12 % TSR per year.



The payout is calculated based on the following formula:

Contractually agreed LTI target amount x TSR target achievement -> example:

Starting share price: EUR 10

Closing share price after 4 years: EUR 14.10 (assuming that no dividends are paid during the performance period)

TSR:  $(\text{EUR } 14.10 / \text{EUR } 10) - 1 = 41\%$  -> corresponds to approx. 9% TSR per year, meaning that target achievement = 100%

Payout:  $\text{EUR } 150.000 \times 100\% = \text{EUR } 150.000$

If the lower threshold is reached, the target achievement is 50% of the contractually agreed LTI target amount. If the upper threshold is reached, the target achievement is 300%. Linear interpolation is used between 6% and 9% TSR per year and between 9% and 12% TSR per year.

The established performance cash plans represent a clear orientation of the remuneration of the Management Board along a sustainable increase of the external value of the company.

In addition to the TSR, the still ongoing performance cash plans from 2017, 2018 and 2019 also depend on 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 interest demand by equity and debt investors will be met over the four-year performance period. The previous weighting between the TSR and TVA, as well as target values and target achievement, is shown in the overview below using the example of the 2019 tranche.



### 3. Other remuneration regulations

#### a) Penalty/clawback

TAKKT may, in justified cases, demand the partial or full reimbursement of an already paid out STI or LTI amount over a period of three years from the due date. Justified cases refer, in particular, to the materialization of one of the following scenarios involving the Board Member:

- The Board Member was significantly involved in or responsible for conduct that resulted in considerable losses or a significant government sanction for TAKKT AG, meaning that they breached their duties intentionally or by gross negligence.
- The Board Member committed a serious breach of relevant external or internal regulations relating to their conduct and acted intentionally or by gross negligence in this regard.

TAKKT has the burden of proving that one of the aforementioned scenarios has materialized involving the Board Member. The reversal of the burden of proof set out in section 93c(2) sentence 2 AktG does not apply in this respect.

#### b) TAKKT Performance Bonds

Stock options are not considered part of the remuneration of the Management Board at TAKKT and there are no plans for this in the future. A voluntary participation offer is made to TAKKT executives allowing them to take part in the economic development of the TAKKT Group through bonds.

#### c) Maximum remuneration

Both the individual variable remuneration components and the total amount of all Management Board remuneration components, including fringe benefits and the occupational pension scheme (total

remuneration), are capped. The maximum remuneration amount for Management Board members pursuant to section 87a(1) no. 1 AktG (including fringe benefits and occupational retirement costs) amounts to EUR 3,435 thousand per year for the Chairman of the Management Board and EUR 2,437 thousand per year for an ordinary member of the Management Board. The remuneration cannot exceed these amounts.

## V. TERM OF MANAGEMENT BOARD CONTRACTS

The term of the Management Board is three years for members being appointed for the first time and up to 5 years for reappointments. There is no option for termination of the Management Board contracts for convenience during their term. Management Board contracts can only be terminated prematurely where there is good cause to do so, in the event of permanent occupational incapacity or by mutual agreement.

The Supervisory Board informs the Board Member no later than nine months before the expiry of their contract whether, and subject to what conditions, the Supervisory Board intends to reappoint the member. The Board Member then has one month to declare whether they accept the reappointment and agree to the conditions offered for the continuation of their contract.

## VI. PROVISIONS IF THE MANAGEMENT BOARD CONTRACT IS TERMINATED PREMATURELY

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 annual salaries.

## VII. CHANGE OF CONTROL

There is no change of control clause in either new or extended Management Board contracts. Only the LTI tranches issued contain a provision based on which the eligible members receive a payout equivalent to the relevant contractually agreed LTI target amounts at the time of a change of control involving termination of the current LTI tranches.

## VIII. POST-CONTRACTUAL NON-COMPETE CLAUSE

There are no post-contractual non-compete clauses. Members are subject to nondisclosure obligations that survive their term of service on the Management Board. These obligations mean that all corporate information and processes which by their nature are not intended for third parties, in particular corporate and operational secrets, must be treated as confidential.

## IX. REMUNERATION FOR SUPERVISORY BOARD MANDATES

Remuneration for activities associated with supervisory board mandates or activities performed as a member of the management in companies in which TAKKT holds a direct or indirect stake, or for which the Board Member is acting in TAKKT's interests, is offset against the STI. The amounts are offset such that the remuneration received in the course of a fiscal year is offset against the STI payable by the company for that year.

## X. TEMPORARY DEVIATION FROM THE MANAGEMENT BOARD REMUNERATION SYSTEM

In special and exceptional circumstances – for example, in the event of a severe economic or financial crisis – the Supervisory Board can deviate from the remuneration system temporarily in accordance with section 87a(2) sentence 2 AktG, provided that the deviations are necessary in the interests of ensuring TAKKT's long-term welfare. General unfavorable market developments are explicitly not

considered to constitute exceptional circumstances. The need for these temporary deviations is reviewed and evaluated by the Personnel Committee, which informs the Supervisory Board of its decision. The Supervisory Board establishes the need for a deviation by passing a resolution.

Even in the event of a deviation, the remuneration paid to the Management Board has to comply with the remuneration system principles set out above and take the guidelines into account. The temporary deviation option is restricted to variable remuneration. Under the existing plan systems, the performance criteria, the calculation system and the weightings attached to the variable remuneration components in relation to each other can be adjusted, or new remuneration components can be added.

If a resolution is passed on a deviation, the circumstances, and in particular the need for the deviation, must be explained in the remuneration report and the remuneration components affected must be specified in accordance with section 162(1) no. 5 AktG.

## **ANNEX 2: SECTION 10 OF THE ARTICLES OF ASSOCIATION (AGENDA ITEM 7)**

### **§ 10**

#### **Remuneration of the Supervisory Board**

- (1) In addition to having their expenses reimbursed, the members of the Supervisory Board shall receive the following for each financial year:
- a) Fixed remuneration of EUR 55,000.00 per annum.
  - b) Additional fixed remuneration of EUR 3,000.00 for sitting on a Supervisory Board committee.
  - c) EUR 500.00 per day for each personal attendance of a meeting of the Supervisory Board or of a committee of the Supervisory Board. If several meetings are held on the same day, the attendance fee can only be claimed once per day.
- (2) The Chairman of the Supervisory Board shall be paid double the amount laid out in paragraph 1a). In addition to their fixed remuneration laid out in paragraph 1a), their deputy shall receive a further EUR 25,000.00. The Chairman of a committee shall be paid double the amount laid out in paragraph 1b). The Deputy Chairman shall be paid one and a half times this amount.
- (3) The remuneration of the members of the Supervisory Board for a calendar year shall be due immediately upon conclusion of the Shareholders' Meeting following that calendar year. The attendance fee in accordance with paragraph 1c) is due after the respective meeting. The company will reimburse the members of the Supervisory Board for the VAT payable on the remuneration and compensation of expenses. If membership on the Supervisory Board or a committee is for less than a full fiscal year, the remuneration due according to paragraphs 1a) and 1b) is reduced on a pro rata basis. If a member of the Supervisory Board resigns from a function with a higher remuneration, the sentence above applies with regard to the part of the remuneration related to the respective function.

- (4) The Company may take out D&O liability insurance for the members of the Supervisory Board to cover any statutory liability arising from their Supervisory Board activities.

## **TAKKT AG**

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