

REMUNERATION REPORT

The remuneration system currently in place and practised at YOC AG was introduced before the “German Corporate Governance Code” in the version of 16 December 2019 came into force on 20 March 2020 (“DCGK 2020”). The structure of the remuneration system is also due to the fact that the composition of the Executive Board and Supervisory Board has remained the same for many years and to the close ties between the company and the Executive Board and founder Mr Dirk-Hilmar Kraus.

The remuneration report is based on the information requirements on the remuneration system of listed stock corporations still applicable under commercial law as well as the “Recommendations of the German Corporate Governance Code” in the version of 7 February 2017.

With the Act Implementing the Second Shareholders’ Rights Directive (Act of 12 December 2019 - Federal Law Gazette Part I 2019 No. 50 19 December 2019 p. 2637 - “ARUG II”), these disclosure obligations under commercial law were transferred to the newly created reporting system under stock corporation law.

The Supervisory Board of the Company is currently developing an Executive Board remuneration system for submission to the 2021 Annual General Meeting for approval, which complies with the requirements of ARUG II and which is based on the recommendations of the DCGK 2020. However, the DCGK 2020 does not require any adjustment of current contracts, so that the remuneration system was not changed in the past financial year.

This remuneration report explains the amount and structure of the Executive Board’s income. In addition, the principles and amount of the remuneration of the Supervisory Board are described.

The remuneration report also contains information that, in accordance with the requirements of German commercial law, is part of the notes to the consolidated financial statements pursuant to section 314 of the German Commercial Code (HGB) and of the group management report pursuant to section 315 of the German Commercial Code (HGB).

REMUNERATION OF THE MANAGEMENT BOARD

The Supervisory Board is responsible for setting the Management Board’s remuneration. In doing so, it considers the company’s size and activities, the company’s economic and financial position, the duties of the Management Board member in question and, for comparative purposes, the amount and structure of management board remuneration elsewhere in the industry.

Management Board remuneration is performance-based. The remuneration is designed to be competitive in the market for highly qualified management personnel and to offer an incentive for successful performance.

It is generally comprised of a fixed basic remuneration amount plus a variable component.

- › The basic remuneration is cash remuneration in a fixed amount for the year as a whole which is specific to the Management Board member’s area of responsibility and is paid out in twelve monthly instalments.
- › The variable component consists of cash remuneration as profit-sharing on YOC AG’s results (EBITDA) according to IFRS and is subject to an upper limit.
- › With the participation in the phantom stock option program set up in 2014, members of the Management Board selected by the Supervisory Board receive phantom stock options. The phantom stock option program simulates a stock option program with an actual share in the company’s equity capital by the beneficiaries. Other than in a stock option program with “actual” stock options, the exercising of phantom options does not authorise to subscribe to company shares, but rather entitle the holder to claim a certain amount of money in cash from the company as further defined in the option terms and conditions. The phantom options do not give the holder any participation rights in the company under commercial law, in particular no share-based claim to rights of information or participation, voting rights or participation in net profit.
- › In addition, the contract of Executive Board member Dirk-Hilmar Kraus, which was renewed in March 2020 and runs until 31 March 2023, contains a one-time, performance-based compensation component subject to the condition of a change of control following a takeover bid.

The remuneration of the Management Board of YOC AG in financial year 2020 includes a fixed salary component totalling kEUR 141 (2019: kEUR 165) and a variable salary component of a further kEUR 26 (2019: kEUR 0).

Other than these, no prepayments, credits, securities, pension promises, or similar advantages were issued to the Management Board.

REMUNERATION OF THE SUPERVISORY BOARD

Supervisory Board remuneration was set by the General Meeting of YOC AG on the basis of a proposal by the Management Board and Supervisory Board.

Supervisory Board remuneration is fixed at kEUR 12.5 for one financial year. The chairman of the Supervisory Board receives twice this amount and the deputy chair 1.5 times this amount.

For each face-to-face meeting of the Supervisory Board, each member of the Supervisory Board receives the amount of kEUR 1.0; the chairman of the Supervisory Board receives twice that; and the deputy chair 1.5 times that amount. No remuneration was granted for personally rendered services apart from the board activities, particularly for any consulting or referral services.

Remuneration for the activities of the Supervisory Board came to a total of kEUR 79 in financial year 2020 (2019: kEUR 79).

REMUNERATION MANAGEMENT SUPERVISORY BOARD 2020 (IN KEUR)

NAME	FIXED REMUNERATION	ATTENDANCE FEE	TOTAL
Dr Nikolaus Breuel (Chairman)	25	10	35
Konstantin Graf Lambsdorff	19	8	26
Sacha Berlik	13	5	18
TOTAL	56	23	79