

# RENUMERATION REPORT OF YOC AG

## NEW REMUNERATION SYSTEM

In accordance with section 120a (1) of the German Stock Corporation Act (AktG) in the version valid since 01 January 2020 following the Act Implementing the Second Shareholders' Rights Directive (ARUG II) of 12 December 2019, the Annual General Meeting of a listed Company shall resolve on the approval of the compensation system for Management Board members presented by the Supervisory Board whenever there is a significant change to the system, but at least every four years.

The first resolution had to be passed by the end of the first Annual General Meeting following 31 December 2020.

In this content, the Supervisory Board of YOC AG has decided on a remuneration system for members of the Management Board which is based on the principles of performance orientation and sustainable increase of the Company's value for the benefit of all stakeholders, and which complies with the requirements of the ARUG II and is based on the recommendations of the GCGC 2020.

The remuneration system for members of the Management Board was approved by the Annual General Meeting of YOC AG on 30 June 2021.

In accordance with legal requirements, the Supervisory Board will apply this remuneration system to service contracts with members of the Management Board of the Company that are newly concluded, amended or extended after the expiry of two months following the first approval of the remuneration system by the Annual General Meeting (Section 87a (2) sentence 1 AktG, Section 26j (1) sentence 2 EGAktG).

Detailed information on the new compensation system can be found on the Company's website at <https://yoc.com/de/investor-relations-yoc/management-corporate-governance/>.

## DESCRIPTION OF THE RELEVANT COMPENSATION SYSTEM FOR MEMBERS OF THE BOARD OF MANAGEMENT

The current Management Board service agreement with the sole Management Board member Dirk-Hilmar Kraus was already extended in March 2020 until 31 March 2023, so that the new compensation system approved by the Annual General Meeting is not yet implemented under the current Management Board service agreement and is therefore not directly addressed in this compensation report.

As far as the Compensation Report refers to the relevant compensation system in accordance with § 162 AktG, the relevant compensation system is the one that applied when the currently valid Management Board service agreement was concluded and continues to apply to it (hereinafter referred to as the „Relevant Compensation System“).

Compensation under the Authorized Compensation System is performance related. It is set at a level that is competitive in the market for highly qualified executives and provides an incentive for successful work.

In the 2021 financial year, it comprised a fixed basic salary, a variable component and participation in the virtual stock options program:

- › The basic remuneration is a fixed cash payment for the entire year, which is based on the area of responsibility of the respective Management Board member and is paid in twelve monthly instalments.
- › The variable component is a cash payment as a profit-sharing bonus, which is based on the operating result according to IFRS (EBITDA) of YOC AG and is capped.
- › By participating in the virtual stock options program launched in 2014, members of the Management Board of the Company to be determined by the Supervisory Board receive virtual stock options (phantom stocks). An exercise of 20,000 virtual stock options is linked to a takeover offer for the shares of YOC AG pursuant to Sections 29, 35 WpÜG with an indefinite term.
- › In addition, the service contract of Management 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 virtual stock options program simulates a stock options program aimed at the actual participation of the beneficiaries in the equity of the Company.

In contrast to an option program based on „real“ stock options, the virtual options do not entitle the holder to subscribe for shares in the Company upon exercise, but grant the beneficiary a claim against the Company for payment of a certain cash amount in accordance with the option terms and conditions.

## APPLICATION OF THE AUTHORITATIVE MANAGEMENT BOARD COMPENSATION SYSTEM IN FISCAL YEAR 2021

The authoritative compensation system was fully implemented and applied in the context of Management Board compensation in fiscal year 2021.

In accordance with the Significant Compensation System, the Supervisory Board has defined specific target compensation with the Management Board member. Furthermore, the Supervisory Board has defined the performance criteria with regard to the performance-related variable compensation components for the 2021 financial year.

As a result, the remuneration of the Management Board of YOC AG in financial year 2021 includes a fixed salary component totalling kEUR 200 gross (2020: kEUR 180 gross) and a variable salary component of a further kEUR 40 gross (2020: kEUR 26 gross). The fixed salary component was paid in 2021.

The variable salary component is due two weeks after adoption of the Company's annual financial statements and will therefore be paid in 2022.

In addition, a payment obligation of YOC AG to its Management Board member Dirk-Hilmar Kraus in the amount of kEUR 180, which has been deferred since financial year 2013, occurred in November 2021.

Apart from this, no advances, loans, security deposits, pension commitments or similar benefits were granted to the Management Board.

A variable salary component of kEUR 26 gross was paid to Dirk-Hilmar Kraus for 2020 in fiscal year 2021.

## COMPENSATION GRANTED AND OWED TO THE CURRENT MANAGEMENT BOARD MEMBER IN THE PAST FISCAL YEAR PURSUANT TO SECTION 162 AKTG

The table 1 shows the fixed and variable compensation components granted (paid out) and owed (due in 2021) to the current Management Board member in the past fiscal year, including the respective relative share pursuant to Section 162 AktG.

These are the fixed annual remuneration paid in the financial year 2021, the fringe benefits accrued in the financial year 2021 and the variable remuneration paid in the financial year 2021.

The table 2 shows the fulfilment of the agreed performance criteria for the variable compensation component paid out in fiscal year 2021.

TABLE 1

NAME	FIXED REMUNERATION					PAYMENT FOR PRIOR YEARS	PENSION EXPENSES	TOTAL COMPENSATION	RATIO OF FIXED AND VARIABLE REMUNERATION
	BASIC SALARY	EXTRA PAY	FRINGE BENEFITS	ANNUAL	PEREN- NIAL				
Dirk-Hilmar Kraus	200,000 EUR (for fiscal year 2021)	-	2,453 EUR	26,000 EUR (for fiscal year 2020)	-	180,000 EUR	-	408,453 EUR	Fixed: 91 % Variable: 9 %

TABLE 2

NAME	PERFORMANCE CRITERION	RELATIVE WEIGHT OF THE PERFORMANCE CRITERION	PERFORMANCE TARGET INFORMATION		A) TARGET ACHIEVEMENT B) AMOUNT PAID OUT
			A) MINIMUM TARGET B) CORRESPONDING REMUNERATION	A) MAXIMUM TARGET B) CORRESPONDING REMUNERATION	
Dirk-Hilmar Kraus	Achievement of budgeted EBITDA	100 %	a) 65 % b) 19,500 EUR	a) 150 % b) 45,000 EUR	a) 87 % b) 26,000 EUR

## CONTRIBUTION TO THE LONG-TERM DEVELOPMENT OF THE COMPANY

The compensation promotes the long-term development of the Company through the composition of fixed and variable compensation components. Purely fixed compensation would not be suitable for promoting the Company's focus on sustainable development characterized by innovation. Rather, a strategic growth course requires variable, incentive-based compensation components in addition to fixed components in order to allow management, as the driver of innovations and visions, to participate appropriately and judiciously in the success of the Company.

The agreement of a variable remuneration component, which is linked to the achievement of the budgeted EBITDA of the Company, promotes the long-term development of YOC Group, because the remuneration is thus linked to the strategic result target, which in turn should serve the long-term development of the Company.

## COMMITMENTS IN THE EVENT OF PREMATURE TERMINATION OF MANAGEMENT BOARD MEMBERSHIP

In the event that Dirk-Hilmar Kraus is released from his obligation to serve as a member of the Management Board during the term of his contract, Dirk-Hilmar Kraus will continue to receive the agreed fixed compensation plus the pro-rata performance-related compensation accrued up to the date of release from the relevant year. Other remuneration earned by Dirk-Hilmar Kraus from self-employed and/or non-employed work during the period of release will be offset and reduce the fixed remuneration.

Payments to Dirk-Hilmar Kraus in the event of premature termination of Management Board membership without serious cause are limited to the value of two years' compensation, including fringe benefits.

## FURTHER MANDATORY DISCLOSURES PURSUANT TO SECTION 162 AKTG

- › No shares or stock options were granted or promised in the financial year 2021.
- › No use was made of the option to reclaim variable compensation components, as no breaches of duty were identified by the Board of Management.
- › There was no deviation from the relevant compensation system. We would like to point out that the compensation system currently still in place for the current Management Board service contract does not correspond to the

compensation system presented for approval at last year's Annual General Meeting. This compensation system is only applicable to new Management Board service agreements to be concluded or extended.

- › A resolution of the Annual General Meeting pursuant to Art. 120a par. 4 or a discussion pursuant to Art. 120a par. 5 AktG did not have to be taken into account when determining the compensation of the Management Board.
- › The Management Board member was not promised any benefits by a third party in respect of his activities as a member of the Management Board or granted any such benefits in the fiscal year.
- › No benefits have been promised to the Management Board member in the event of regular termination of his activity.
- › No benefits have been promised or granted in this connection during the past fiscal year to any former Management Board member who terminated his service during the past fiscal year.
- › The authoritative compensation system does not contain any stipulations regarding maximum compensation, compliance with which would have to be reported.

## DESCRIPTION OF THE COMPENSATION SYSTEM FOR MEMBERS OF THE SUPERVISORY BOARD

The system of compensation for members of the Supervisory Board is based on statutory requirements and takes into account the applied recommendations and suggestions of the German Corporate Governance Code. The Supervisory Board advises and monitors the Management Board and in this respect is closely involved in important operational and strategic issues relating to the management of the Company. The compensation of the Supervisory Board is also a key factor in ensuring that it acts effectively. This should be commensurate with the duties of the Supervisory Board members and the situation of the Company (cf. Section 113 (1) Sentence 3 AktG). Appropriate Supervisory Board remuneration in line with the market thus promotes the business strategy and long-term development of YOC AG.

Pursuant to Section 113 (3) sentences 1 and 2 of the German Stock Corporation Act (AktG), which was revised as of 01 January 2020, the Annual General Meeting of listed companies must pass a resolution on the remuneration of the members of the Supervisory Board at least every four years, whereby a resolution confirming the remuneration is permissible. According to the transitional provision Section 26j (1) sentence 1 of the Introductory Act to the German Stock Corporation Act (AktG), the first resolution had to be passed at the Annual General Meeting following 31 December 2020. This resolution was adopted on 30 June 2021.

Pursuant to Section 16 Sentence 1 of the Articles of Association of YOC AG, the members of the Supervisory

Board receive a fixed remuneration to be determined by the Annual General Meeting.

The remuneration system for the Supervisory Board adopted by the Annual General Meeting provides both the abstract and the concrete framework for the remuneration of the members of the Supervisory Board. This ensures that the remuneration of the members of the Supervisory Board always corresponds to the remuneration system resolved by the Annual General Meeting.

## STRUCTURE AND APPLICATION OF THE REMUNERATION SYSTEM OF THE SUPERVISORY BOARD IN FINANCIAL YEAR 2021

In amendment to the resolution of the Annual General Meeting of 30 May 2007, since financial year 2012 the members of the Supervisory Board of YOC AG have received remuneration as follows:

1. the annual remuneration for each member of the Supervisory Board is EUR 12,500.00.
2. the Chairman of the Supervisory Board receives double this amount, the Deputy Chairman of the Supervisory Board receives 1 ½ times this amount.
3. each member of the Supervisory Board receives an amount of EUR 1,000.00 for each meeting of the Supervisory Board, which is an attendance meeting, the Chairman of the Supervisory Board receives double this amount and the Deputy Chairman of the Supervisory Board receives 1 ½ times this amount.

The fixed compensation, the attendance fees and the waiver of performance-related Supervisory Board compensation are intended in particular to promote the independence of the Supervisory Board members. The long-term development of the Company is to be promoted through the appropriate exercise of the Supervisory Board's supervisory and advisory activities.

The Management Board and Supervisory Board are of the opinion that the concept of fixed, non-performance-related compensation for members of the Supervisory Board established by resolution of the Annual General Meeting on 21 August 2012, and approved by the Annual General Meeting on 30 June 2021, has proven its worth.

This model of compensation is practiced by the majority of listed companies and complies with suggestion G.18 of the German Corporate Governance Code as amended on 16 December 2019.

From the perspective of the Management Board and Supervisory Board, the existing regulations on the compensation of Supervisory Board members should be retained in the future. Accordingly, the compensation set to date by resolution of the Annual General Meeting on 21 August 2012 has also been set for the current fiscal year 2021 and for the subsequent fiscal years beginning from 01 January 2022.

## REMUNERATION OF THE SUPERVISORY BOARD IN FINANCIAL YEAR 2021

On 30 June 2021 the Annual General Meeting of YOC AG reconfirmed and approved the remuneration of the members of the Supervisory Board set at the Annual General Meeting on 21 August 2012.

In financial year 2021, the remuneration system for the Supervisory Board was applied in all aspects as regulated in Section 16 of the Company's Articles of Association. In the reporting year, the members of the Supervisory Board did not receive any further compensation or benefits for services rendered personally, in particular consulting and mediation services. The members of the Supervisory Board were not granted any loans or advances, nor were any contingent liabilities entered into in their favour.

Accordingly, the remuneration for the activities of the Supervisory Board in fiscal year 2021 totalled kEUR 79 (2020: kEUR 79).

The compensation is due at the end of the 2021 financial year and will therefore not be paid until the 2022 financial year.

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

As the fixed Supervisory Board compensation for the 2020 financial year was not due until 2021, payment was also not made until the 2021 financial year.

The following table shows the compensation paid to the members of the Supervisory Board in 2021 for the 2020 financial year.

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

## COMPARATIVE PRESENTATION OF COMPENSATION AND EARNINGS DEVELOPMENT

The following comparative presentation shows the annual change in the compensation granted and owed to the current members of the Management Board and Supervisory

Board, the Company's earnings performance and the compensation of employees on a full-time equivalent basis in accordance with Section 162 AktG (German Stock Corporation Act), whereby the latter is based on the average wages and salaries of the employees of all Group companies in Germany in the respective fiscal year.

The internal peer group is deliberately restricted to Germany because this is where most employees are based.

	COMPENSATION GRANTED AND OWED 2021		CHANGE 2021 COMPARED TO 2020		CHANGE 2020 COMPARED TO 2019		CHANGE 2019 COMPARED TO 2018		CHANGE 2018 COMPARED TO 2017	
	IN KEUR	IN KEUR	IN KEUR	IN %	IN KEUR	IN %	IN KEUR	IN %	IN KEUR	IN %
<b>Current members of the Board of Management</b>	408	142	+266	+186	-24	-15	+11	+7	-11	-6
Dirk-Hilmar Kraus	408	142	+266	+186	-24	-15	+11	+7	-11	-6
<b>Current members of the Supervisory Board</b>	79	79	0	0	0	0	0	0	0	0
Dr Nikolaus Breuel	35	35	0	0	0	0	0	0	0	0
Konstantin Graf Lambsdorff	26	26	0	0	0	0	0	0	0	0
Sacha Berlik	18	18	0	0	0	0	0	0	0	0
<b>Average Salary Employees (Germany)</b>	79	64	+15	+23	-4	-6	+9	+15	-12	-17
	FINANCIAL YEAR 2021	FINANCIAL YEAR 2020	CHANGE 2021 COMPARED TO 2020		CHANGE 2020 COMPARED TO 2019		CHANGE 2019 COMPARED TO 2018		CHANGE 2018 COMPARED TO 2017	
	IN KEUR	IN KEUR	IN KEUR	IN %	IN KEUR	IN %	IN KEUR	IN %	IN KEUR	IN %
<b>YOC Group consolidated net profit</b>	2.065	312	1.753	+562	+784	+165	-315	-200	+373	+70
<b>YOC AG net income</b>	1.735	-719	2.454	+341	+959	+57	-1.704	-6.532	+757	+104

# REPORT OF THE INDEPENDENT AUDITOR

on the audit of the remuneration report pursuant to Sec. 162 (3) AktG

TO YOC AG

## OPINION

We have audited the remuneration report of YOC AG, Berlin, for the fiscal year from 01 January to 31 December 2021 to formally verify whether the disclosures required by Sec. 162 (1) and (2) AktG [“Aktengesetz”: German Stock Corporation Act] have been made. In accordance with Sec. 162 (3) AktG, we have not audited the content of the remuneration report.

In our opinion, the disclosures required by Sec. 162 (1) and (2) AktG have been made in the accompanying remuneration report in all material respects. Our opinion does not cover the content of the remuneration report.

## BASIS FOR THE OPINION

We conducted our audit of the remuneration report in accordance with Sec. 162 (3) AktG and in compliance with the IDW Auditing Standard: Audit of the Remuneration Report in Accordance with Sec. 162 (3) AktG (IDW AuS 870). Our responsibilities under this provision and standard are further described in the “Responsibilities of the auditor” section of our report. As an audit firm, we applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1). We complied with the professional obligations pursuant to the WPO [“Wirtschaftsprüferordnung”: German Law Regulating the Profession of Wirtschaftsprüfer (German Public Auditor)] and the BS WP/vBP [“Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer”: Professional Charter for German Public Accountants/German Sworn Auditors] including the requirements regarding independence.

## RESPONSIBILITIES OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The Management Board and Supervisory Board are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, they are responsible for such internal control as they determine is

necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

## RESPONSIBILITIES OF THE AUDITOR

Our objectives are to obtain reasonable assurance about whether the disclosures required by Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects and to express an opinion thereon in a report.

We planned and performed our audit so as to determine the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Sec. 162 (1) and (2) AktG. In accordance with Sec. 162 (3) AktG, we have not audited the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

## CONSIDERATION OF MISREPRESENTATIONS

In connection with our audit, our responsibility is to read the remuneration report considering the knowledge obtained in the audit of the financial statements and, in doing so, remain alert for indications of whether the remuneration report contains misrepresentations in relation to the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Berlin, 20. April 2022

ERNST & YOUNG GMBH  
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

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