

RENUMERATION REPORT OF YOC AG

RENUMERATION SYSTEM

Pursuant to Section 120a (1) AktG, the Annual General Meeting of a listed company resolves to approve the remuneration system for the members of the Management Board presented by the Supervisory Board every time a significant change is made, 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.

Against this background, the Supervisory Board of YOC AG decided on a remuneration system for members of the Management Board which is based on the principles of performance orientation and the sustainable increase of the company's value in favour of all stakeholders and which complies with the requirements of ARUG II and which is based on the recommendations of the German Corporate Governance Code.

The remuneration system for members of the Management Board was approved for the first time on 30 June 2021 and most recently on 22 June 2023 in a slightly adjusted form by the General Meeting of YOC AG.

The Supervisory Board applies this remuneration system in accordance with legal requirements to employment contracts with members of the company's Management Board that are renewed after two months after the initial approval of the remuneration system by the Annual General Meeting (Section 87a (2) sentence 1 AktG, Section 26j (1) sentence 2 EG-AktG).

Detailed information on the new remuneration 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 MANAGEMENT BOARD

The remuneration of the Management Board under the remuneration system is performance-based. It is competitive on the market for highly qualified managers and incentivises successful work.

In the 2023 financial year, it consisted of a fixed basic salary, a variable component and participation in the virtual share option programme:

- › The basic remuneration is a fixed cash payment for the full 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 phantom stock option programme launched in 2014, members of the company's Management Board to be determined by the Supervisory Board receive virtual share options (phantom stocks). The exercise of 20,000 phantom stock options with an indefinite term is linked to a takeover offer for the shares of YOC AG pursuant to Sections 29, 35 WpÜG.
- › In addition, the employment contract of the Management Board member Dirk-Hilmar Kraus, which runs until 31 March 2026, includes a one-off, performance-related payment subject to the condition of a change of control following a takeover bid.

The virtual share option programme replicates a share option programme aimed at the actual participation of the beneficiaries in the company's equity.

In contrast to an option programme backed by "real" share options, the virtual options do not entitle the beneficiary to subscribe to shares in the company when they are exercised, but instead grant the beneficiary a claim against the company for payment of a certain cash amount in accordance with the option conditions.

APPLICATION OF THE MANAGEMENT BOARD REMUNERATION SYSTEM IN THE FINANCIAL YEAR 2023

The remuneration system was fully implemented as part of the remuneration of the fully implemented and applied in the 2023 financial year.

In accordance with the remuneration system, the Supervisory Board set a specific target remuneration with the member of the Management Board. Furthermore, the Supervisory Board has defined the performance criteria with regard to the performance-related, variable remuneration components for the 2023 financial year.

As a result, the remuneration of the Management Board of YOC AG in financial year 2023 includes a fixed salary component totalling KEUR 200 gross (2022: KEUR 200 gross) and a variable salary component of a further KEUR 50 gross (2022: KEUR 47 gross) at 100 % target achievement.

The fixed salary component was paid out in full in 2023. The variable salary component is due two weeks after the company's annual financial statements have been of the company and will therefore be paid out in 2024.

No other advances, loans, security payments, pension commitments or similar benefits were granted to the Executive Management Board.

A variable salary component of KEUR 47 gross was paid to Mr Dirk-Hilmar Kraus in the 2023 financial year for the 2022 financial year.

REMUNERATION GRANTED AND OWED IN THE PAST FINANCIAL YEAR TO THE CURRENT MANAGEMENT BOARD MEMBER IN ACCORDANCE WITH SECTION 162 AKTG

The Table 1 shows the fixed and variable remuneration components (paid) and owed (i.e. due in 2023) to the current member of the Management Board in the past financial year, including the respective relative share in accordance with Section 162 AktG. This relates to the fixed annual remuneration paid out in the 2023 financial year, the fringe benefits accrued in the 2023 financial year and the variable remuneration paid out in the 2023 financial year.

The Table 2 shows the fulfilment of the agreed performance criteria for the variable remuneration component paid out in financial year 2023:

CONTRIBUTION TO THE LONG-TERM DEVELOPMENT OF THE COMPANY

The remuneration promotes the long-term development of the company through the composition of fixed and variable remuneration components. Purely fixed remuneration would not be suitable for promoting the company's focus on sustainable development characterised by innovation.

Rather, a strategic growth course requires variable, incentive-based remuneration components in addition to fixed components in order to allow management, as the drivers of innovation and vision, to participate in the company's success appropriately and with a sense of proportion.

The agreement of a variable remuneration component, which is linked to the achievement of the company's budgeted EBITDA, promotes the long-term development of YOC Group because the remuneration is thus linked to the strategic earnings target, which in turn is intended to serve the long-term development of the company.

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 KEUR (for fiscal year 2023)	-	2 KEUR	47 KEUR (for fiscal year 2022)	-	-	-	249 KEUR	Fixed: 81 % Variable: 19 %

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 in 2022	100 %	a) 65 % b) 32.5 KEUR	a) 150 % b) 75 KEUR	a) 94 % b) 47 KEUR

COMMITMENTS IN THE EVENT OF PREMATURE TERMINATION OF MANAGEMENT BOARD MEMBERSHIP

In the event that Mr Dirk-Hilmar Kraus is released from his obligation to serve as a member of the Management Board during the term of his contract, Mr 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 compensation from self-employed and/or non-self-employed work earned by Mr Dirk-Hilmar Kraus during his leave of absence will be offset and reduce the fixed compensation.

Payments to Mr Dirk-Hilmar Kraus in the event of premature termination of his Management Board activities without serious cause shall be limited, including fringe benefits, by the value of two years' compensation.

FURTHER MANDATORY DISCLOSURES PURSUANT TO SECTION 162 AKTG

- › No shares or share options were granted or promised in the 2023 financial year.
- › No use was made of the option to reclaim variable remuneration components, as there were no breaches of duty by the Management Board.
- › There were no deviations from the remuneration system.
- › Due to the approval of the 2022 remuneration report and the renewed approval of the only slightly adjusted remuneration system by the Annual General Meeting on 22 June 2023, there is no reason to question the remuneration system, its implementation or the way in which it is reported.
- › The Management Board member was not promised or granted any benefits by a third party with regard to his Board member was promised or granted in the financial year.
- › The Management Board member has not been promised any benefits in the event of the regular termination of his activity.
- › No benefits have been promised or granted in the course of the last financial year to any former member of the Management Board who ended their activity in the course of the last financial year.

- › The maximum remuneration for each member of the Management Board is limited to EUR 2.8 million per year. This high maximum amount does not represent the target annual remuneration but is merely intended to guarantee the possibility of a special one-off payment, as the amount of this is also limited by the maximum remuneration set. The remuneration granted and owed to the current member of the Executive Management Board in the past financial year is within the maximum remuneration set by the remuneration system.

DESCRIPTION OF THE COMPENSATION SYSTEM FOR MEMBERS OF THE SUPERVISORY BOARD

The compensation system for Supervisory Board members is based on statutory requirements and takes into account the recommendations and suggestions of the German Corporate Governance Code.

The Supervisory Board advises and monitors the Executive Board and is closely involved in important operational and strategic management issues.

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), the Annual General Meeting of listed companies must pass a resolution on the compensation of the members of the Supervisory Board at least every four years, whereby a resolution confirming the compensation is permissible.

The last resolution was passed 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 gives the remuneration of the members of the Supervisory Board in both abstract and concrete terms.

This ensures that the compensation of Supervisory Board members always corresponds to the compensation system resolved by the Annual General Meeting.

STRUCTURE AND APPLICATION OF THE REMUNERATION SYSTEM OF THE SUPERVISORY BOARD IN THE FISCAL YEAR 2023

In amendment to the resolution of the Annual General Meeting of Shareholders of 30 May 2007, since the financial year 2012, the members of the Supervisory Board of YOC AG receive 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 twice this amount, the Deputy Chairman of the Supervisory Board receives 1 ½ times this amount.
3. each Supervisory Board member shall receive an amount of EUR 1,000.00 for each Supervisory Board meeting that is attended, the Chairman of the Supervisory Board twice this amount and the Deputy Chairman of the Supervisory Board 1 ½ times this amount.

The fixed compensation, the attendance fees and the waiver of performance-related Supervisory Board compensation are also 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 control 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 28 April 2022.

From the perspective of the Management Board and Supervisory Board, the existing rules on the compensation of Supervisory Board members should be retained in the future.

Accordingly, the previous compensation set by resolution of the Annual General Meeting on 21 August 2012 has also been set for the 2021 financial year and for the subsequent financial years beginning on or after 01 January 2022.

COMPENSATION OF THE SUPERVISORY BOARD IN FISCAL YEAR 2023

On 30 June 2021, the Annual General Meeting of YOC AG had reconfirmed and approved the remuneration of the members of the Supervisory Board set within the framework of the Annual General Meeting of 21 August 2012.

In financial year 2023, 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 provided personally, in particular consulting and mediation services. Furthermore, no loans or advances were granted to the members of the Supervisory Board, nor were any contingent liabilities entered into in their favour.

Accordingly, the remuneration for the activities of the Supervisory Board in the 2023 financial year totalled KEUR 79 (2022: KEUR 79). The compensation is due at the end of the 2023 financial year and will therefore not be paid until the 2024 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
TOTAL	56	23	79

As the fixed Supervisory Board compensation for the 2022 financial year was not due until 2023, the payment was also not made until the 2023 financial year. The following table shows the compensation paid to the members of the Supervisory Board in 2023 for fiscal year 2022.

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

COMPARATIVE PRESENTATION OF COMPENSATION AND EARNINGS DEVELOPMENT

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

Board, the development of the company's earnings and the compensation of employees on a full-time equivalent basis pursuant to Sec. 162 AktG, the latter being based on the average wages and salaries of the employees of all Group companies in Germany in the respective financial year.

The internal peer group is deliberately limited to Germany because this is where most of the employees are employed here.

	COMPENSATION GRANTED AND OWED 2023		CHANGE 2023 COMPARED TO 2022		CHANGE 2022 COMPARED TO 2021		CHANGE 2021 COMPARED TO 2020		CHANGE 2020 COMPARED TO 2019	
	IN KEUR	IN KEUR	IN KEUR	IN %	IN KEUR	IN %	IN KEUR	IN %	IN KEUR	IN %
Current members of the Management Board	249	243	6	2	-165	-40	266	186	-24	-15
Dirk-Hilmar Kraus	249	243	6	2	-165	-40	266	186	-24	-15
Current members of the Supervisory Board	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
Average Salary Employees (Germany)	83	80	5	6	1	2	15	23	-4	-6

	FINANCIAL YEAR 2023	FINANCIAL YEAR 2022	CHANGE 2023 COMPARED TO 2022		CHANGE 2022 COMPARED TO 2021		CHANGE 2021 COMPARED TO 2020		CHANGE 2020 COMPARED TO 2019	
	IN KEUR	IN KEUR	IN KEUR	IN %	IN KEUR	IN %	IN KEUR	IN %	IN KEUR	IN %
YOC Group consolidated net profit	2,900	2,336	564	24	271	13	1,753	562	784	165
YOC AG net income	3,323	2,527	796	32	792	46	2,454	341	959	57

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 1 January to 31 December 2023 to formally verify whether the disclosures required by Sec. 162 (1) and (2) AktG ["Aktiengesetz": 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 (09.2023)). 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 EXECUTIVE BOARD AND SUPERVISORY BOARD

The Executive 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 (i.e., fraudulent financial reporting and misappropriation of assets) or error.

AUDITOR'S RESPONSIBILITY

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, 18 April 2024

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