

Annex to agenda item 6: Description of the new remuneration system for members of the executive board

I. Purpose of the executive remuneration system and connection to strategy

The purpose of the new remuneration system for the executive board of CropEnergies AG is to ensure that the members of the executive board are remunerated in line with their duties and their performance. At the same time, it is also supposed to offer increased incentives for sustainable business management and a sustained increase in the company's value. The new executive remuneration system consists of four components: a fixed basic remuneration that is independent of performance and that is payable monthly, a one-year performance-based variable remuneration and a multi-year performance-based variable remuneration; the usual non-monetary fringe benefits are also provided in addition to the above. The targets and the business target values for the one-year and multi-year variable remuneration are derived from the group planning for CropEnergies AG. The strategic targets are based on sustainability aspects, which creates incentives for business management that aims for long-term growth and sustained engagement. The sustainability aspect is also highlighted by the fact that the multi-year variable remuneration accounts for over half of the variable compensation components; it means that the long-term variable remuneration is accorded more importance than the short-term remuneration, which also requires (and is supposed to motivate) the executive board members to be committed to sustainable business management. The introduction of malus and claw-back provisions strengthen the position of the supervisory board in the case of gross breaches of obligations by members of the executive board.

II. Process for calculating, implementing and auditing the remuneration for the executive board

The supervisory board defines the executive remuneration system in accordance with the provisions of §§ 87a, 87 (section 1) of the Companies Act.

The supervisory board submits the remuneration system to the annual general meeting for approval. If the annual general meeting does not approve the remuneration system that has been submitted for a vote, the supervisory board will submit a reviewed remuneration system for approval pursuant to § 120a (section 3) of the Companies Act no later than at the next regular annual general meeting.

In the event of major changes to the remuneration system - but at minimum every four years - the supervisory board will submit the remuneration system to the annual general meeting for approval in accordance with § 120a (section 1 sentence 1) of the Companies Act.

The remuneration is regularly reviewed by the supervisory board. The criteria for the appropriateness of the remuneration consist of the tasks of the various members of the executive board and their personal performance and also the overall performance of the executive board, as well as the economic situation, the success and future outlook of the company, and finally the habitualness of the remuneration taking into account the peer environment. The remuneration data of relevant companies from the S-DAX is used for market comparison purposes, taking into account the fact the CropEnergies AG is part of the Südzucker AG group of companies. The selection of comparison companies primarily depends on their placement in the stock exchange (stock exchange segment), their industry and their size. In addition, the supervisory board also follows the recommendations of the German Corporate Governance Code, unless indicated otherwise in the statement of compliance pursuant to § 161 of the Companies Act. If required, the supervisory board may engage external advisors for this purpose. The independence of the external advisors will be taken into account by the executive board and the company during the selection process.

To prevent conflicts of interest, the members of the supervisory board and all committees are obliged to notify the chairperson of the supervisory board of all conflicts of interest. In the event of a conflict of interest, the members of the supervisory board do not participate in the adoption of resolutions regarding the relevant agenda items in the supervisory board or in the respective committees. Where conflicts of interest are not of a merely temporary nature, it leads to the termination of the supervisory board mandate.

The present remuneration system for members of the executive board applies in all cases for all executive board members of CropEnergies AG who have been appointed at the company since 1 March 2021. Current members of the executive board can transition into the new remuneration system. The transition into the currently valid remuneration system is mandatory if the employment contracts of the current executive board members are extended.

III. Defining the specific maximum remuneration

In accordance with the remuneration system, the supervisory board defines the target and maximum remuneration for members of the executive board for each upcoming financial year (§ 87a (section 1 number 1) Companies Act). The target remuneration refers to the amount that is paid as the variable remuneration component in addition to the fixed salary (or in the case of the multi-year variable remuneration: that is paid by the transfer of shares), if the executive board achieves all of the targets that have been set. On the other hand, the maximum remuneration describes the sum of all remuneration components including other non-monetary fringe benefits and the retirement expenses (“maximum remuneration”); it is defined by the supervisory board as the maximum amount that can be paid out for each financial year.

The guideline for defining the maximum remuneration is that the members of the executive board are compensated in line with their tasks and performance as well as the company's position, and that the remuneration does not exceed the customary

remuneration unless this is justified by special reasons. Moreover, during the calculation of the remuneration amount, the supervisory board also ensures that the portion of long-term variable remuneration components is larger than that of the short-term remuneration components, so that the remuneration structure provides long-term incentives for the executive board and promotes the sustainable business strategy and growth of CropEnergies AG.

With regard to the amount of the target and maximum remuneration, the supervisory board is encouraged to give reasonable consideration to the function and responsibility area of each executive board member. This means that the supervisory board may make function-specific distinctions according to its best judgement, whereby parameters such as the task and business area, the experience of the relevant member of the executive board and consistency with market standards must be considered. In this context, the supervisory board will see to it that the variable remuneration components will not be significantly less than half of the total remuneration, i.e. the sum of fixed salary, variable remuneration and other non-monetary fringe benefits, and that the long-term variable remuneration is weighted higher than the short-term variable remuneration.

The maximum remunerations are defined and adjusted on the basis of the market comparison described above (horizontal comparison).

According to the comparison that is made, the maximum remuneration is defined by the supervisory board as follows: the maximum remuneration for the CEO is EUR 939,400.00, the maximum remuneration for the CTO is EUR 745,400.00, and the maximum remuneration for the CSO is EUR 664,800.00. The maximum remunerations always relate to the sum of all payments and other non-monetary benefits in a financial year.

Approximately 23% of the above maximum remunerations can only be achieved if the value of the CropEnergies AG share increases, which means that they do not create

an additional burden for the company's liquidity (cf. explanations in Section IV. under paras. 4.3 and 4.5).

IV. Remuneration elements in detail

In general, the remuneration for the executive board consists of fixed components (not based on performance) and variable performance-based components.

The remuneration components that are not based on performance comprise the fixed salary, other fringe benefits and the pension commitment.

The variable performance-based remuneration components consist of a one-year variable remuneration and a multi-year variable remuneration.

In order to promote the sustainable and long-term business strategy and growth of CropEnergies AG and to provide the requisite incentives for members of the executive board, the fixed salary only accounts for 47% to 50% of direct receipts (variable target remuneration including fixed salary), the one-year variable target remuneration accounts for 23% to 24% and the multi-year variable target remuneration makes up 27% to 30% of direct receipts.

The variable remuneration elements are supposed to function as both an opportunity and a necessary correction of the executive board's overall remuneration, when certain targets are not reached. The variable remuneration is forfeited if the set targets are not achieved up to a certain minimum level set by the supervisory board. Where the member of the executive board has knowingly breached his or her obligations, the supervisory board may reduce the variable remuneration down to zero (malus), or it may request that it is paid back (claw-back). If the targets are significantly exceeded, the gross payment of the short-term variable remuneration is limited to 130%, and the

gross value of the long-term variable remuneration to 300%, of the target remuneration defined by the supervisory board, which presumes a target attainment of 100%.

1. Fixed salary

The members of the executive board receive an annual fixed salary in the form of cash remuneration that is based on the task and responsibility area of the member of the executive board and that is paid in twelve equal instalments.

2. Benefits in kind in other fringe benefits

Each member of the executive board also receives the following benefits in kind and fringe benefits:

- Company car that is also available for private use
- Luggage insurance
- D&O insurance with an excess pursuant to § 93 (section 2 sentence 3) of the Companies Act
- Accident insurance
- Participation in health prevention measures.

In the context of the maximum remuneration, the member of the executive board may also receive the customary contributions to social insurance premiums and insurance products with favourable tax treatment.

The performance-based one-year variable remuneration (“EVV”) follows from the achievement of a business target (here: an EBITDA defined by the supervisory board for the CropEnergies AG group of companies (cf. glossary at the end of this section)), and the achievement of strategic targets. These two target achievement values are multiplied with the target remuneration (“EVV target remuneration”) that the supervisory board defines for each member of the executive board at the beginning of a financial year. The result of this multiplication is the payment amount of the EVV (calculation examples can be found in para. 3.4).

At the beginning of each financial year, the supervisory board discusses the target values for the EBTIDA and the strategic targets with the entire executive board; they are subsequently defined by the supervisory board at its discretion and forwarded to the member of the executive board in the form of a target notification.

3.1 EBITDA as a business target

At the start of each financial year, the supervisory board, with the agreement of the entire executive board, defines a target value, a minimum value and a maximum value for the group EBITDA that is supposed to be achieved in that financial year.

The target value reflects a 100% target achievement level, while the minimum and maximum level represent a 50% and 130% target achievement level, respectively (overfulfilment being a so-called “outperformance”).

If the minimum value for the EBITDA is not achieved, the EVV is omitted even if the strategic objectives are met. In the bandwidth between the minimum and the target value, and between the target and the maximum value, the payment is calculated on a linear basis.

The consolidated financial statements for CropEnergies AG approved by the supervisory board form the basis for calculating the actually achieved EBITDA. Subsequent changes to the consolidated financial statements that are the result of

external tax audits or other reasons do not affect any findings that have already been concluded.

3.2 Strategic targets

The strategic targets are based on (among others, but not exclusively) the contributions towards the sustained growth of the CropEnergies AG group of companies as well as stakeholder interests, and other sustainability criteria, in particular the continued development of the Environmental Social Governance (ESG) and the Corporate Social Responsibility (CSR) in the CropEnergies AG group of companies. After the end of the financial year, the supervisory board defines the level of target achievement after hearing the executive board. Differently from the EBITDA, the target achievement levels for the strategic targets are not converted into percentages but rather into a multiplier (“modifier”). This modifier ranges from 0.8 to 1.2, whereby the number 1.0 reflects a target achievement level of 100%.

3.3. Maximum EVV

The maximum factor for the EBITDA that can be used for the calculation is 130%. This means that the maximum EVV that can be paid out is 130% of the EVV target remuneration, multiplied by the maximum target achievement level for the strategic targets (1.2), i.e. 156% of the EVV target remuneration (130% x 1.2 = 156%).

3.4 Calculation examples (fictitious values):

Premises for examples 1 to 4:

EVV target remuneration in EUR	Minimum value EBITDA	Target EBITDA	Maximum value EBITDA	Modifier
	PL: 50%	PL: 100%	PL: 130%	
100,000.00	EUR 80 million	EUR 110 million	EUR 150 million	1.2

PL= Payment level, measured by EVV target remuneration

Example 1: The actually achieved EBITDA is less than EUR 80 million

Result: no EVV payable since the minimum value for the target EBITDA was not reached

Example 2: The actually achieved EBITDA is EUR 80 million

Calculation formula:

$(\text{EVV target remuneration } (100,000.00) \times 50\% = 50,000.00) \times 1.2 = \text{EUR } 60,000.00$

Result: The EVV amount payable is EUR 60,000.00.

Example 3: The actually achieved EBITDA is EUR 140 million

The actual target achievement value is between the target EBITDA (EUR 110 million) and the maximum value (EUR 150 million). This means that - due to the achievement of the target EBITDA of EUR 110 million - the already achieved 100% payment level (= EUR 100,000.00) must be increased proportionally by the percentage by which the target EBITDA was exceeded.

Calculation formula:

$(\text{EVV target remuneration } (100,000.00) \times 122.5\% = 122,500.00) \times 1.2 = \text{EUR } 147,000.00$

Explanation:

Of the maximum EUR 150 million (which would trigger a payment of EUR 130,000.00), EUR 140 million were actually achieved. This corresponds to a payment level of 122.5% compared to the maximum 130% target remuneration. The result must then be multiplied with the modifier.

Result: The EVV amount payable is EUR 147,000.00.

Example 4: The actually achieved EBITDA is EUR 90 million

The actual target achievement value is between the minimum value (EUR 80 million) and the target EBITDA (EUR 110 million). This corresponds to a payment level of 67% compared to 100% of the target remuneration at EUR 110 million. The result must then be multiplied with the modifier.

Calculation formula:

$(\text{EVV target remuneration (100,000.00)} \times 67\% = 66,667.00) \times 1.2 = \text{EUR 80,000.00}$

Result: The EVV amount payable is EUR 80,000.00.

4. Multi-year variable remuneration

In addition to the fixed salary and the EVV, the members of the executive board also receive a multi-year variable remuneration (“MVV”).

4.1 Performance-based share programme

The MVV consists of participation in a performance-based share programme (Performance Share Plan) that has been established by the supervisory board in the form of a share package, which the company purchases for each member of the executive board at the beginning of the financial year (or at the beginning of the employment if hired during the year) and that is kept in a securities account of the company over a period of three years (“vesting period”) until the target achievement has been defined. After the end of the vesting period, the supervisory board calculates the extent to which the defined business target has been reached. The final number of shares allocated to the member of the executive board will depend on the target achievement. The MVV is omitted if the defined minimum value for the target achievement is not reached.

4.2 Initially allocated share package (Initial Grant)

The number of shares that must be allocated to the member of the executive board at the beginning of the respective vesting period (“Initial Grant”) is based on the target remuneration for the MVV that was calculated for the respective board member by the supervisory board (“MVV target remuneration”), divided by the average share price of the last three months before the end of the financial year that precedes the allocation. During the allocation of the Initial Grant, it is assumed that the target values are reached in full (100% target achievement). The number of shares is rounded up to full units.

Example (fictitious values):

If the MVV target remuneration is EUR 100,000.00 and the average price of the share is EUR 10.00, the Initial Grant will be 10,000 shares.

The shares from the Initial Grant are purchased by CropEnergies AG on the stock exchange and held in a share account opened by the company for the duration of the relevant vesting period, until the final number of the shares that must be allocated to the board member has been calculated. This means that the board member does not have control over the Initial Grant before the end of the relevant vesting period and the calculation of the final allocation (Final Grant - cf. para. 4.3). The dividends that are attributable to the Final Grant during the vesting period are added together at the end of the vesting period and are added to the Final Grant in the form of additional shares pursuant to para. 4.3 below.

4.3 Actual share package to be allocated (Final Grant), ROCE

The number of shares to which the member of the executive board is entitled following the expiry of the vesting period (“Final Grant”) depends on the extent to which the financial target for the Return on Capital Employed (ROCE – see glossary at the end of this section) as defined by the supervisory board for the CropEnergies AG group

was actually achieved. The target value for the ROCE in the CropEnergies AG group of companies is defined by the supervisory board at the start of the vesting period with a minimum, maximum and hundred-percent value. The findings refer to the average value of the three year vesting period.

The Final Grant consists of the shares that were earned by the executive board member in accordance with the ROCE target achievement, and those shares that (in terms of their value) correspond to the dividend payments that are attributable to the earned shares during the vesting period. Dividends are converted into shares so that the dividends can be used to calculate the Final Grant. This conversion is based on the same share price that is used to calculate the Final Grant based on the ROCE target achievement, i. e. the ex-dividend rate on the first stock exchange trading day that follows the annual general meeting at which the consolidated financial statements for the last financial year of the respective vesting period are submitted.

For calculating the Final Grant, the Initial Grant is multiplied with the actual percentage target achievement for the ROCE subject to the explanations below.

Depending on the target achievement, the number of shares is increased or decreased after the end of the vesting period. If the Initial Grant must be increased, CropEnergies AG will purchase additional shares to distribute to the relevant executive board member; if the Initial Grant must be decreased, CropEnergies AG can dispose of the remaining shares as it sees it. The Final Grant that is calculated using the aforementioned mechanism (including the shares that correspond to the dividend value) is then transferred to the executive board member's personal securities account at their disposal; the number of shares to be transferred is limited to 150% of the number of shares that were allocated to the board member as the Initial Grant, plus the shares that correspond to the dividend value. For calculating the Final Grant, the target achievement for the ROCE is only used if it reaches the respective minimum value. If the minimum value is not reached, the Initial Grant is forfeited.

The share price that is authoritative for the gross value of the Final Grant is the ex-dividend rate on the first stock exchange trading day that follows the annual general meeting at which the consolidated financial statement for the last financial year of the respective vesting period is submitted. If the value of the Final Grant exceeds a maximum threshold of 300% of the MVV target remuneration on the basis of this share price (see below para. 4.5), the number of shares that are granted as the Final Grant must be reduced accordingly. With this provision, the executive board member (with a view to the moderate amount of his or her fixed salary and the variable target remunerations for EVV and MVV) may participate in the price increases up to the maximum amount of 300% of the respective MVV target remuneration, without causing an additional burden for the company's liquidity situation.

In the case of certain special measures approved by the supervisory board (e. g. investments in new business fields or acquisitions), the actually achieved ROCE can be adjusted by their impact on the operating result and the capital employed, if and insofar these special measures were not considered when the target value for the ROCE was calculated. In that case, the supervisory board will define, at the same time as the resolution regarding the special measure and at the executive board's suggestion, if and to what extent the impact of the special measure on the ROCE will not be considered in the calculation of the ROCE that was generated during the respective period.

4.4 Calculation examples (fictitious values):

Premises for examples 1 to 3:

ROCE Average 3 years		
Minimum	Target	Maximum
7%	11%	17%
PL: 50%	PL: 100%	PL: 150%

PL= Payment level, measured by MVV target remuneration

MVV target remuneration = EUR 100,000.00

Share value at the start of the vesting period = EUR 10.00

Example 1: ROCE 100% achieved (11%)

Calculation formula Initial Grant:

$$\begin{aligned} \text{Initial Grant} &= \text{MVV target remuneration} / \text{Share value at start} \\ &= \text{EUR } 100,000.00 / \text{EUR } 10.00 \\ &= 10,000 \text{ shares} \end{aligned}$$

Calculation formula Final Grant:

Initial Grant (10,000) x target achievement (here: 100%) = 10,000 shares

For the calculation of the Final Grant, the attributable dividends must also be added to the 10,000 shares. For example, if EUR 0.20 dividend per share was distributed in Year 1 of the vesting period (followed by EUR 0.28 in Year 2 and EUR 0.25 in Year 3), the calculation formula is as follows (assuming that the share price is EUR 13.00 on the authoritative date):

$$(10,000 \times 0.2) + (10,000 \times 0.28) + (10,000 \times 0.25) = \text{€ } 7,300.00.$$

$$\text{EUR } 7,300.00 \text{ (dividend)} / \text{EUR } 13.00 \text{ (share price)} =$$

562 shares (rounded up).

Result Final Grant: 10,562 shares

Calculation formula for the gross value of the Final Grant, if the share has a value of EUR 13.00 when it is distributed to the executive board member:

Final Grant (10,562) x EUR 13.00

= EUR 137,306.00

Result: The gross value of the Final Grant is EUR 137,306.00.

Example 2: ROCE minimum value not achieved (<7%)

Calculation formula Final Grant:

The Final Grant does not apply since the ROCE did not reach the minimum value; the Initial Grant is forfeited and accrues to CropEnergies AG.

Example 3: ROCE reaches maximum value / correction to overrun of maximum remuneration in the MVV, if the authoritative share price is EUR 21.00

Calculation formula Final Grant:

Initial Grant (10,000) x target achievement (here: 150%) = 15,000 shares

Also added are the dividends (assumed amount: as in Example 1):

$$(15,000 \times 0.2) + (15,000 \times 0.28) + (15,000 \times 0.25) = \text{€ } 10,950.00.$$

$$10,950,00 \text{ (dividend)} / \text{EUR } 21.00 \text{ (share price)} =$$

521 shares (rounded up).

Result Final Grant: 15,521 shares

Calculation formula MVV remuneration if the share has a value of EUR 21.00 when it is distributed to the executive board member:

Final Grant (15,521) x EUR 21.00

Value of securities account = EUR 325,941.00

Correction: The maximum value of the securities account is EUR 300,000.00 (gross) since the cap is 300% of the MVV target remuneration (EUR 100,000.00 x 300% = EUR 300,000.00).

Result: Using a price of EUR 21.00 at the end of the vesting period, this results in a Final Grant of 14,285 shares (rounded) with a gross total value of EUR 299,985.00.

4.5 Maximum MVV

While the number of shares that can be approved as a Final Grant is limited to 150% of the shares allocated as the Initial Grant (plus the shares that correspond to the dividend value), the maximum gross value of the Final Grant is 300% of the respective MVV target remuneration. This must be considered by the supervisory board when the Final Grant is calculated and transferred to the board member. When complying with the above threshold, the increase in the Final Grant due to possible dividend payments must also be taken into account.

5. Executive board member joins the company during the course of a financial year

In cases where the executive board member joins the company during the financial year, the one-year and multi-year variable remuneration is approved on a pro rata basis.

6. Retirement benefits

A defined contribution pension scheme is intended to provide regular retirement benefits. For each member of the executive board, the company will conclude an insurance policy or retirement contract with an irrevocable pre-emptive right in favour of the board member or his/her survivors with an insurance company or a pension fund. To this end, the company will pay the insurance company or pension fund an

annual premium of up to EUR 75,000.00 for the CEO, and an annual amount of up to EUR 50,000.00 for other members of the executive board (defined-contribution commitment). Applicable taxes and social insurance contributions are the board member's responsibility.

For executive board members that were already appointed as at 1 March 2021, the current agreements regarding pension commitments can be continued without changes if their employment is or must be subject to the new remuneration system. The affected executive board members may not be put in a better or worse position as a result.

7. Malus and claw-back provisions for the variable remuneration

In the event that the member of the executive board knowingly breaches his or her contractual or statutory obligations or internal group directives, the employment contracts that are concluded under the new remuneration system contain a provision that the supervisory board can either claw back (claw-back provision) or reduce to zero and withhold (malus provision) the variable remuneration components that were paid out for the assessment period in which the breach occurred. In the first case (claw-back), the executive board member must repay the net amounts.

8. Contract terms

The employment contracts are concluded for a defined term and automatically end at the end of the term without requiring a separate termination. For the remainder, the employment contracts are linked to the intercompany appointment of the respective board member and also end if the intercompany relationship ends prematurely, particularly due to a withdrawal for important cause pursuant to § 84 (section 3) of the Companies Act or a justified resignation of the mandate by the executive board member.

9. Commitments in connection with the termination of executive board activities (continued payment of remuneration)

9.1 The one-year variable remuneration and the multi-year variable remuneration are paid to the relevant executive board member together with the fixed salary up to the end of the employment, as long as the variable remuneration components were earned until that time. If the member of the executive board leaves the company before the end of the respective assessment period for the one-year variable remuneration and the multi-year variable remuneration, the one-year variable remuneration and the multi-year variable remuneration will be approved taking into account the results that were actually achieved by the end of the respective assessment period (pro rata temporis).

9.2 In the event the board member leaves the company at an earlier date, he or she will receive a payment in the amount of the direct receipts that were agreed for the remaining contract term (variable remuneration including fixed salary), but capped at an amount that corresponds to the direct receipts for two full financial years. The variable remuneration components are only paid as of the date and at the amount at which they would have been granted if the employment had been continued.

The aforementioned payments will not be made if the employment contract is effectively terminated for important cause or if it only expires due to the expiry of the term and is not extended.

10. Post-contractual non-competition clauses

Post-contractual non-competition clauses are arranged with the members of the executive board, which provide for compensation (to be paid by the company) for the duration of the post-contractual non-competition clause, up to a maximum of two years. For each of these years, the compensation is equal to 50% of the average direct receipts - consisting of the fixed salary, the EVV and the MVV - of the last twelve (12) months before the departure. The compensation is applied against a possible payment

that is paid following the premature departure of the executive board member pursuant to the above para. 9.2. The executive board member must pay a contract penalty for each action that constitutes a breach of the post-contractual non-competition clause. The company may waive the post-contractual non-competition clause with a notice period of 12 months, with the result that no compensation will be paid.

11. Remuneration for mandates

Where members of the executive board assume internal supervisory group mandates, any remuneration for these activities accrue to the company. Each member of the executive board shall not have more than two external mandates, and such mandates may only be assumed with the supervisory board's prior approval.

V. Temporary deviations from the remuneration system

The supervisory board may decide to deviate from the existing remuneration system pursuant to § 87a (section 2 sentence 2) of the Companies Act, either temporarily or in isolated cases, if and insofar this is required in the interest of the company and its long-term well-being. In general, this may affect all remuneration components. These options provide the supervisory board with the flexibility intended by the legislator to properly respond to extraordinary developments or to address special situations.

VI. Glossary

EBITDA

The EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) describes the operating result before interest, taxes, depreciation and amortisation. The item reported as the EBITDA in the CropEnergies AG consolidated financial statements is authoritative for the calculation of the EBITDA.

ROCE

The ROCE (Return on Capital Employed) refers to the CropEnergies AG group of companies and describes the ratio between the operating result and the long-term capital employed. It is defined by the sum of fixed assets, stocks and receivables less short-term liabilities.