



Remuneration System for the Members of the Supervisory Board

In accordance with Section 113 (3) AktG, the Annual General Meeting of a listed company must pass a resolution on the remuneration system for the members of the company's supervisory board at least every four years. The existing remuneration system for the members of PVA TePla AG's Supervisory Board was approved by the Annual General Meeting in 2021 with 99.86% of the votes validly cast (hereinafter also referred to as the "2021 Remuneration System"). The remuneration of the Supervisory Board is provided for in § 14 of the Articles of Association of PVA TePla AG.

Review of the Remuneration of the Supervisory Board

Particularly in view of the increasing challenge of attracting qualified Supervisory Board members, the existing structure and amount of remuneration for members of the Supervisory Board has been reviewed with the assistance of an independent remuneration consultant.

Competition for Supervisory Board members who fulfill the numerous qualifications required to perform the advisory and monitoring functions of a Supervisory Board has increased noticeably in recent years. Due to constantly increasing statutory and regulatory requirements and an increasing number of tasks, the workload of Supervisory Board members has also required a considerable additional time commitment in recent years. For this reason, competitive remuneration at standard market rates for the members of the Supervisory Board of PVA TePla AG is essential for the long-term and sustainable performance of the Company.

Accordingly, the review of the Supervisory Board's remuneration was accompanied by a benchmarking to ensure the competitiveness of the remuneration. The companies in the German SDAX index were used as peer companies as the PVA TePla AG share is listed in the SDAX and the SDAX companies are comparable to PVA TePla AG in terms of their size and governance system.

Based on the results of the review of the Supervisory Board's remuneration, the Management Board and the Supervisory Board have resolved to revise the 2021 Remuneration System. The revised remuneration system and the main changes to the existing remuneration system are described in detail below.

Main Changes to the Remuneration of the Supervisory Board

These are the main changes to the remuneration of the Supervisory Board compared to the 2021 Remuneration System that have been implemented in the revised remuneration system:

	2021 Remuneration System			Adjusted Remuneration System		
	Chairman	Deputy Chairman	Member	Chairman	Deputy Chairman	Member
Fixed Annual Remuneration	70,000	40,000	25,000	100,000	60,000	40,000
Committee Remuneration	– Committee Chair: 10,000 – Committee Member: 5,000 The committee remuneration is limited to one committee membership, even in the case of a membership in more than one committee.			– Committee Chair: 20,000 – Committee Member: 10,000 The committee remuneration is limited to two committee memberships, even in the case of a membership in more than two committees.		
Share Purchase & Holding Self-Commitment	-			The members of the Supervisory Board commit themselves to invest 20% of their gross fixed annual remuneration in PVA TePla AG shares and to hold these shares until the end of their term of office.		

In order to ensure competitive remuneration for the Supervisory Board, the fixed annual remuneration of the Supervisory Board members will be adjusted to a common market level. To that end, the fixed annual remuneration for Supervisory Board members will be increased from EUR 25,000 to EUR 40,000. The remuneration for the Deputy Chairman of the Supervisory Board will be increased from EUR 40,000 to EUR 60,000, while a differentiation factor of 2.5 will be introduced for the Chairman of the Supervisory Board, increasing the fixed annual remuneration from EUR 70,000 to EUR 100,000. These increases, for the Chairman of the Supervisory Board in particular, reflect the increased demands and range of tasks, as well as the time that must be committed to the tasks.

In order to take into account the increased workload of the Supervisory Board committees that is also necessary to fulfill the increasing regulatory requirements, the remuneration for membership on committees is likewise being adjusted to a common market level. Committee remuneration will be increased from EUR 10,000 to EUR 20,000 for the chair of a committee and from EUR 5,000 to EUR 10,000 for members of a committee. In this context, a maximum of two committee activities are taken into account for committee remuneration.

The members of the Supervisory Board commit themselves to purchase shares in the Company each year in an amount equivalent to 20% of their fixed annual remuneration and to hold such shares until the end of their term of office. As a result, a significant portion of the increase in remuneration is channeled into the acquisition of shares in PVA TePla AG, thereby implementing an equity culture in the Supervisory Board of PVA

TePla AG and aligning the interests of the Supervisory Board more closely with those of the shareholders.

Principles of the Remuneration System for the Supervisory Board

The remuneration of the Supervisory Board of PVA TePla AG is in compliance with the statutory requirements and takes into account the provisions of the German Corporate Governance Code (GCGC).

In accordance with Section 113 (1) sentence 3 AktG and Principle 25 of the GCGC, the members of the Supervisory Board receive remuneration that is appropriate to their tasks and the situation of the Company.

The design as purely fixed remuneration is in line with Recommendation G. 18 sentence 1 of the GCGC and promotes the neutral advisory and monitoring function of the Supervisory Board and thus the long-term performance of PVA TePla AG.

In accordance with Recommendation G.17 of the GCGC, the amounts of fixed remuneration paid to the Chairman of the Supervisory Board, to the Deputy Chairman of the Supervisory Board and to all other members of the Supervisory Board are different so as to acknowledge the greater time commitment and the different responsibilities associated with these functions. Furthermore, also in accordance with G.17 of the GCGC, the remuneration system takes into account the increased time commitment required for being the chairperson and a member in Supervisory Board committees.

Overall, the remuneration of the Supervisory Board is to make the assuming the office of member or Chairman of the Supervisory Board or of one of its committees so attractive that particularly qualified candidates can be attracted and retained.

Structure of the Remuneration System for the Members of the Supervisory Board

The remuneration of the Supervisory Board members is structured as follows:

Fixed Annual Remuneration		
Chairman	Deputy Chairman	Member
EUR 100,000	EUR60,000	EUR 40,000
Committee Remuneration		
Chair	Member	
EUR 20,000	EUR 10,000	
Maximum Committee Remuneration		
The committee remuneration is limited to two committee memberships, even in the case of a membership in more than two committees.		
Share Purchase & Holding Self-Commitment		
Self-commitment to invest in shares of PVA TePla AG (20% of the gross fixed annual remuneration) with a holding obligation for the duration of the term of office.		

Fixed Annual Remuneration

Each member of the Supervisory Board receives a fixed annual remuneration in the amount of EUR 40,000. The Chairman of the Supervisory Board receives EUR 100,000 (factor 2.5); the Deputy Chairman of the Supervisory Board receives EUR 60,000 (factor 1.5).

Remuneration for Committee Work

In addition, Supervisory Board members receive committee remuneration for being committee members. Committee chairmen receive EUR 20,000 in addition to their fixed remuneration, while committee members receive an additional EUR 10,000 per year.

Where a person is a member of more than one committee, a maximum of two memberships are taken into account for the remuneration.

Self-commitment to Purchase Shares

The members of the Supervisory Board of PVA TePla AG commit themselves to invest 20% of their fixed annual remuneration (investment amount) in PVA TePla AG shares each year for the duration of their respective terms of office as a personal investment (investment commitment) and to hold these shares until the end of their term of office (share ownership requirements).

The investment commitment takes effect after the end of a fiscal year and must be implemented by the end of the following fiscal year. The members of the Supervisory Board must provide proof of the acquisition of shares in the Company by the end of the following fiscal year.

Shares already held are counted towards the shareholding obligation. After re-election, members are permitted to sell shares acquired during their previous term of office as part of the investment commitment.

Other Rules

In the event of changes to the Supervisory Board or its committees during the year, the remuneration is paid *pro rata temporis*, rounded up to full months.

Supervisory Board members are entitled to reimbursement of their necessary and reasonable expenses. In addition, they are reimbursed for any value-added tax potentially due on their remuneration, and the Company will pay the premiums for D&O insurance taken out by the Company for the Supervisory Board members, including any income tax due on these premiums.

The Company and the members of the Supervisory Board have not concluded any remuneration-related agreements beyond the provisions contained in the Articles of Association on remuneration.

Unless a different term of office is determined upon their election, the members of the Supervisory Board are appointed for the period ending at the close of the Annual General Meeting that resolves on the approval of their actions for the fourth fiscal year following the commencement of their term of office. The fiscal year in which their term of office begins is not counted. Supervisory Board members can be dismissed by the Annual General Meeting in accordance with the applicable requirements of German Stock Corporation Act. They may resign from office without good cause by giving four weeks' notice. The right to resign from office for good cause without notice, provided the resignation is not untimely, remains unaffected. There is no further remuneration for members of the Supervisory Board who resign, nor is there any agreement regarding remuneration of Supervisory Board members after the end of their term of office.

Adoption and Implementation of the Remuneration System

The remuneration of the Supervisory Board is regularly reviewed based on statutory requirements. In this context, the Supervisory Board remuneration of peer companies is also included in the review. If needed, the Supervisory Board can engage an external independent advisor.

If there is a need for adjustments to the remuneration system, the Supervisory Board and Management Board will submit a relevant proposal to the Annual General Meeting for adjustment of the remuneration. Irrespective of this, the Annual General Meeting passes a resolution on the remuneration of the Supervisory Board and the underlying remuneration system every four years at the latest in accordance with Section 113 (3) AktG.

As the decision on remuneration and the underlying remuneration system is made by the Annual General Meeting, no conflicts of interest are expected to arise as a result of Supervisory Board remuneration.