

Remuneration of Supervisory Board members – agenda item 9

Under agenda item 9, the Board of Management and the Supervisory Board proposes to the Annual General Meeting on 28 May 2025

- a) To confirm the remuneration regulations for Supervisory Board members set out in art. 12 para. 1 to 11 of the articles of incorporation of the company, unless art. 12 para. 4 of the articles of incorporation is amended by the resolution under agenda item 8 of the Annual General Meeting on 28 May 2025.
- b) To grant the Supervisory Board members a long-term variable remuneration component in accordance with the LTI program.
- c) To approve the remuneration of Supervisory Board members.

In the following

- under letter A below, the current wording of the remuneration regulations for Supervisory Board members set out in art. 12 para. 1 to 11 of the articles of incorporation is reproduced, which are to be confirmed by the Annual General Meeting by means of the resolution under agenda item 9 section a),
- under letter B, the wording of the long-term variable remuneration component for Supervisory Board members to be granted by resolution of the Annual General Meeting under agenda item 9 section b) and
- under letter C, the details of the remuneration of Supervisory Board members with the disclosures according with section 113 para. 3 sentence 3, section 87a para. 1 sentence 2 German stock corporation act (AktG), which is to be approved by resolution of the Annual General Meeting under agenda item 9 section c).

The remuneration of Supervisory Board members is to apply from 1 January 2025. This document is available as part of the invitation to the Annual General Meeting online at <https://www.leifheit-group.com/en/investor-relations/general-meeting> and will be available for inspection during the Annual General Meeting.

A. Art. 12 of the articles of incorporation of Leifheit AG

- (1) In addition to reimbursement of expenses and any VAT incurred for the Supervisory Board activities, each Supervisory Board member receives an annual fixed remuneration of € 35,000.00. The Chair of the Supervisory Board receives € 100,000.00, the Deputy Chair € 70,000.00.
- (2) The reimbursement of expenses, insofar as it concerns telecommunications, postage and other office costs, shall be paid in the form of a flat rate of € 1,000.00 per year.
- (3) Each member of a committee, except the Audit Committee, receives an additional fixed remuneration of € 2,500.00; the Chair of a committee, except for the Audit Committee, receives € 5,000.00. Each Audit Committee member receives an additional fixed remuneration of € 5,000.00; the Chair of the Audit Committee receives an additional fixed remuneration of € 10,000.00.
- (4) In addition, the Supervisory Board members receive an attendance fee of € 1,500.00 for each meeting (in person, by telephone or video conference of at least two hours¹ in duration) of the Supervisory Board and its committees in which they participate. For several meetings that take place on one day, the attendance fee is paid only once. The Chair of the Supervisory Board and the respective Chair of a Supervisory Board committee will receive twice the meeting attendance fee pursuant to sentence 1 for participating meetings they chair.
- (5) In addition, each Supervisory Board member receives a performance-related remuneration of € 500.00 for each cent by which the earnings per share for the period (EPS) calculated in accordance with IFRS accounting principles exceeds the comparable amount of the previous financial year for their membership of the Supervisory Board during the previous financial year.
- (6) The Annual General Meeting may resolve on one or more long-term variable remuneration components for the Supervisory Board, which shall be added to the remuneration in accordance with the articles of incorporation.
- (7) The remuneration and fixed amount for expenses pursuant to para. 1 to 4 shall be paid at the end of each financial year. The performance-related remuneration pursuant to para. 5 shall be paid on the third working day following the approval of the consolidated financial statements by the Supervisory Board.

¹ To the Annual General Meeting on 28 May 2025 under agenda item 8 it will be proposed, to amend this requirement of the articles of incorporation to one hour in duration.

- (8) The total of fixed remuneration under paras. 1 and 3, attendance fees under para. 4 and performance-related remuneration under para. 5 is limited to a maximum of € 80,000.00 for an ordinary Supervisory Board member, € 150,000.00 for the Deputy Chair of the Supervisory Board, € 100,000.00 for the Chair of the Audit Committee and € 200,000.00 for the Chair of the Supervisory Board. If a Supervisory Board member performs several of the functions listed in sentence 1 within a financial year, the higher amount shall apply to the limit.
- (9) Moreover, one part of the remuneration comprises the member's pro-capita share of a directors and officers liability insurance policy (D&O insurance) concluded on behalf of the company at standard market conditions for the members of the Supervisory Board, the costs of which are taken by the company.
- (10) If a member is only a member of the Supervisory Board or a Supervisory Board committee for part of a financial year, the fixed and performance-related remuneration as well as the reimbursement of expenses according to para. 2 shall only be granted pro rata temporis and the limit according to para. 8 shall also be reduced pro rata temporis.
- (11) The provisions of this art. 12 shall apply to the remuneration to be granted to the Supervisory Board members for the period from the beginning of 1 June 2019, so that the fixed remuneration pursuant to para. 1, the additional fixed remuneration pursuant to para. 3, the performance-related remuneration pursuant to para. 5 and the flat rate expense allowance pursuant to para. 2 for the period from the beginning of 1 June 2019 to the end of 31 December 2019 shall only be granted in the amount of 7/12.

B. Proposal for a resolution on long-term variable remuneration components for Supervisory Board members

§ 1 LTI grant

- 1.1 The members of the Supervisory Board are granted a long-term variable remuneration component (LTI) for the performance period from 1 January 2025 to 31 December 2027 (performance period) in accordance with the following provisions (LTI program).
- 1.2 The LTI program applies with effect from 1 January 2025.

§ 2 Own investment

- 2.1 By 30 June 2025, a Supervisory Board member must make an own investment in Leifheit shares (own investment shares) to participate in the LTI program. Leifheit shares already held by a Supervisory Board member at the time of the Annual General Meeting's resolution on the LTI program are also deemed to be own investment shares, even if they were not yet members of the Supervisory Board at the time of acquisition.
- 2.2 The Chair of the Supervisory Board can participate in the LTI program with a personal investment of up to 10,000 shares, while the Deputy Chair can participate with up to 7,500 shares. Other members of the Supervisory Board can participate in the LTI program with a own investment of up to 5,000 shares (cap).
- 2.3 The number of Leifheit shares held by the Supervisory Board member by 30 June 2025 at the latest (or in the case of § 7, six months after appointment to the Supervisory Board) and also at the end of the performance period is decisive for calculating the amount of the LTI payment in accordance with § 4.1. If the number of shares held at the end of the performance period is lower than the number held on 30 June 2025, the former shall be decisive.
- 2.4 The entitlement to the LTI payment is subject to the condition subsequent that the eligible Supervisory Board member (i) acquires Leifheit shares for one-sixth of the LTI payment that he/she receives in accordance with §§ 4, 6 or 7 within three months of the Annual General Meeting in financial year 2028 and (ii) that he/she holds these shares for at least three years after the acquisition and proves this after the end of each calendar year by submitting corresponding securities account statements. The requirement to hold the shares ends if the authorised Supervisory Board member leaves the Supervisory Board during the three-year holding period.

§ 3 Performance targets

- 3.1 The LTI is to be granted both in principle and in amount depending on the degree to which certain financial performance targets (performance targets) are achieved in the performance period.
- 3.2 The performance targets, namely the TSR performance target and the ROCE performance target, relate to the following two financial performance criteria:
- a) Total shareholder return (TSR)
- The TSR is calculated as a percentage and corresponds to the arithmetic mean of the closing prices of the Leifheit share in Xetra trading on the Frankfurt Stock Exchange (or a corresponding successor system) in the last 90 trading days of the performance period (closing price) minus the arithmetic mean of the closing prices of the Leifheit share in Xetra trading on the Frankfurt Stock Exchange (or a corresponding successor system) in the last 90 trading days before the start of the performance period (starting price) plus all dividends per Leifheit share, granted for the financial years 2025, 2026 and 2027, divided by the starting price. (Formula: (final price - initial price + dividend payments 2025 to 2027): opening share price).
- b) Return on capital employed (ROCE)
- ROCE is the ratio of EBIT to capital employed, i.e. the average total amount (as at the quarterly reporting date) of trade receivables, inventories, contractual assets and fixed assets less trade payables and other liabilities, as reported in the approved and audited consolidated financial statements of Leifheit AG as at 31 December 2027.
- 3.3 The TSR performance target and the ROCE performance target consist of the following:
- a) The TSR to be achieved by the end of the performance period is 84.5% (TSR performance target). The minimum TSR is 67.6% and the maximum TSR is 101.4%. If the TSR achieved at the end of the performance period is less than the minimum TSR, the degree of target achievement is 0%. If it is the minimum TSR, the degree of target achievement is 50% and if the TSR is the maximum TSR or more, this corresponds to a degree of target achievement of 150%. Intermediate values between a target achievement of 50% and 150% are interpolated linearly.
- b) The ROCE to be achieved by the end of the performance period is 18.3% (ROCE performance target). The minimum ROCE is 14.6% and the maximum ROCE is 22.0%. If the ROCE achieved at the end of the performance period is less than the minimum ROCE, the degree of target achievement is 0%. If it is the minimum ROCE, the degree of target achievement is 50% and if the ROCE is the maximum ROCE or more, this corresponds to a degree of target achievement of 150%. Intermediate values between a target achievement of 50% and 150% are interpolated linearly.
- 3.4 The TSR achieved and the ROCE achieved are weighed at a ratio of 70% TSR to 30% ROCE. For this purpose, the level of TSR achieved is multiplied by 0.7 and the level of ROCE achieved is multiplied by 0.3 and both values are added together, resulting in the level of overall target achievement. The maximum degree of target achievement is 1.5.
- 3.5 In the event of extraordinary developments on the part of Leifheit AG (e.g. measures under transformation law, capital measures, acquisition and/or sale of companies and operations, realisation of hidden reserves) that have a significant impact on the achievability of the target values in accordance with § 3.3, the Annual General Meeting is entitled to adjust the target values and other parameters for the LTI measurement in order to neutralise the effects of the extraordinary developments in an appropriate manner. Developments that affect the economy as a whole or the business in which Leifheit AG operates are not extraordinary developments in this sense, provided that there is no particular hardship for Leifheit AG compared to competitors due to special company-specific circumstances.

§ 4 Calculation of the LTI payment

- 4.1 The LTI is granted at the end of the performance period in the form of a one-off cash payment (LTI payment), the amount of which depends on the degree of total target achievement, the number of own investment shares and the final price of the Leifheit share and is calculated as follows:

Total target achievement x number of own investment shares x final price.

Example calculation: If the degree of total target achievement is 110%, the number of own investment shares is 3,000 and the final price is € 30.00, this results in a LTI payment of $1.1 \times 3,000 \times € 30.00 = € 99,000.00$ gross.

- 4.2 If the final price is more than € 31.00, a final price of € 31.00 is to be assumed for the calculation according with § 4.1 (cap). In the event of a change in the number of shares due to a share split or a reverse stock split, the final price shall be adjusted accordingly, although it may not exceed the cap in such a case either.

§ 5 Due date of the LTI payment

The LTI payment is due for payment two weeks after approval of the consolidated financial statements of Leifheit AG as at 31 December 2027 by the Supervisory Board.

§ 6 Pro rata LTI payment

- 6.1 If one of the following events (termination events) occurs before the end of the performance period, the participating Supervisory Board member is entitled to a pro rata LTI payment (pro rata LTI payment), provided they still hold the personal investment shares when the termination event occurs:

- a) Resignation or dismissal of the participating Supervisory Board member within three months of the event of a change of control;
- b) Resignation of the participating Supervisory Board member from the Supervisory Board due to expiry of the term of office before the end of the performance period;
- c) Death of the participating Supervisory Board member;
- d) Termination of the office of the participating Supervisory Board member when a merger, demerger or change of legal form of the company according to the German transformation act (Umwandlungsgesetz) takes effect;
- e) Delisting of the company's shares from the Frankfurt Stock Exchange.

- 6.2 The basis for the calculation of the pro rata LTI payment is the calculation of the LTI payment in accordance with § 4. However, this is adjusted as follows:

- a) The final price corresponds to the volume-weighted average price of the Leifheit share in Xetra trading on the Frankfurt Stock Exchange (or a corresponding successor system) during the last three months prior to the occurrence of the termination event. If the volume-weighted average price of the Leifheit share in Xetra trading on the Frankfurt Stock Exchange (or a corresponding successor system) exceeds € 31.00 during the last three months prior to the termination event, the final price on which the calculation of the pro rata LTI payment is to be based is € 31.00. In the event of a change in the number of shares due to a share split or a reverse stock split, the final share price for the calculation of the pro rata LTI payment will be adjusted accordingly, although it cannot exceed € 31.00 in such a case either.
- b) The degree of total target achievement to be applied when calculating the pro rata LTI payment is always 50%.
- c) The payout amount calculated in consideration of sections a) and b) in accordance with § 4 shall be reduced pro rata temporis, whereby the period between the start of the performance period and the occurrence of the termination event shall be set in relation to the total period of the performance period. If the termination event does not fall on the last day of a month, § 7.2 sentence 4 shall apply accordingly.
- d) If a participating Supervisory Board member is entitled to a pro rata LTI payment, the payment is due on the day of the company's Annual General Meeting in the financial year following the financial year in which the termination event occurred.

§ 7 New members joining the Supervisory Board

- 7.1 A Supervisory Board member who is not elected to the Supervisory Board or appointed by the court until after the start of the performance period may participate in the LTI program. To do so, they must make a personal investment in shares of the company in the amount specified in § 2.1, whereby the personal investment shares must be acquired no later than six months after the election or court appointment to the Supervisory Board takes effect.
- 7.2 The calculation of the LTI payment is also based on § 4 in the cases of § 7.1. However, the LTI payment is reduced pro rata temporis and only granted for the duration of the actual membership of the Supervisory Board during the performance period. For this purpose, 1/36 of the LTI payment calculated in accordance with § 4 is granted for each month that the member is a member of the Supervisory Board during the performance period. If the Supervisory Board member's term of office does not begin on the 1st of the month in question, the month is fully considered in the calculation if the member has been a member of the Supervisory Board for at least 15 calendar days in that month; otherwise the month is not considered in the calculation. If a termination event occurs before the end of the performance period, § 6 shall apply in addition.
- 7.3 In accordance with § 7.2, § 5 applies to the calculated due date of the LTI payment. § 6.2 d) remains unaffected.

§ 8 Taxes

Any income tax or other taxes or duties payable on the LTI payment (or the pro rata LTI payment) are to be taken by each participating Supervisory Board member.

C. Remuneration of the Supervisory Board members**1. Principle**

The remuneration of the Supervisory Board members of Leifheit AG as a whole is geared towards sustainable corporate development and is in line with the business strategy. It incentivises the members of the Supervisory Board individually and the Supervisory Board as a whole to focus the performance of their duties on the long-term, successful development of the company.

Remuneration complies with the provisions of the German stock corporation act (AktG) and considers the recommendations of the German corporate governance code.

The members of the Supervisory Board receive fixed remuneration, attendance fees and performance-related variable remuneration. The performance-related variable remuneration is divided into a short-term variable remuneration component (STI) and a possible long-term variable remuneration component (LTI).

2. Maximum remuneration

Maximum remuneration is provided for all members of the Supervisory Board. Maximum remuneration is set out in art. 12 para. 8 of the articles of incorporation and in the resolution by the Annual General Meeting on 28 May 2025 on agenda item 9 section b) (Granting of a long-term variable remuneration component to Supervisory Board members).

The total of fixed remuneration, attendance fees and short-term performance-related remuneration (STI) within the meaning of art. 12 para. 5 of the articles of incorporation is limited per financial year to a maximum of € 80,000.00 for an ordinary member of the Supervisory Board, € 150,000.00 for the Deputy Chair of the Supervisory Board, € 100,000.00 for the Chair of the Audit Committee and € 200,000.00 for the Chair of the Supervisory Board. In addition, Supervisory Board members can receive an LTI remuneration component to be paid out in the financial year 2028 for achieving certain performance targets in the financial years 2025 to 2027, the amount of which is limited to € 232,500.00 for an ordinary Supervisory Board member, € 348,750.00 for the Deputy Chair of the Supervisory Board and € 465,000.00 for the Chair of the Supervisory Board.

3. Remuneration and business strategy

The remuneration of the Supervisory Board members is aligned with the business strategy and long-term development of Leifheit AG through the fixed remuneration, the attendance fee and a short-term and a long-term variable remuneration component, which in turn is based on financial targets suitable for Leifheit AG and emphasises the long-term key performance indicators.

4. Composition of the remuneration

In addition to the reimbursement of their expenses and any value added tax charged to them for their Supervisory Board activities, each Supervisory Board member receives an annual fixed remuneration. Each member of a committee receives additional fixed remuneration.

In addition, the Supervisory Board members receive an attendance fee for each meeting (face-to-face meeting, telephone or video conference lasting at least one hour) of the Supervisory Board and its committees that they attend. The attendance fee is only paid once for several meetings held on the same day.

In addition, each Supervisory Board member receives a performance-related short-term variable remuneration component for their membership of the Supervisory Board during the previous financial year, which is earned if the earnings per share (EPS) for the period calculated in accordance with IFRS accounting principles exceed the comparable amount for the previous financial year.

The remuneration also includes the calculated per capita share of the insurance premium for a pecuniary damage liability insurance policy (D&O insurance) taken out on behalf of Leifheit AG in favour of the members of the Supervisory Board at standard market conditions, which is taken by Leifheit AG.

If a member is only a member of the Supervisory Board or a Supervisory Board committee for part of a financial year, the fixed and performance-related remuneration is only granted pro rata temporis and the maximum remuneration is reduced pro rata temporis.

In addition, the members of the Supervisory Board are granted a long-term variable remuneration component. The members of the Supervisory Board participating in the LTI program receive a one-off LTI payment that depends on the degree to which certain performance targets are met over a three-year period and on the respective own investment of the Supervisory Board members in Leifheit AG shares. The LTI payment is calculated by multiplying the degree of target achievement of the two financial performance criteria by the number of shares acquired by the Supervisory Board members as a own investment multiplied by a reference price of the Leifheit share. The maximum degree of target achievement is 1.5 and the maximum reference price of the Leifheit share is € 31.00.

5. Assessment criteria for variable remuneration

a) Short-term variable remuneration (STI)

The short-term variable remuneration amounts to € 500.00 for every cent by which the EPS calculated in accordance with IFRS accounting principles exceeds the comparable amount for the previous financial year.

By focussing on the EPS performance target, the focus is placed on earnings on the one hand and Leifheit AG's ability to pay dividends is ensured on the other.

b) Long-term variable remuneration component (LTI)

By 30 June 2025, a member of the Supervisory Board must have made an own investment in Leifheit shares (own investment shares) in order to participate in the LTI remuneration component. Leifheit shares that a Supervisory Board member already held at the time of the resolution by the Annual General Meeting on 28 May 2025 are also deemed to be own investment shares, even if they were not yet members of the Supervisory Board at the time of acquisition. The Chair of the Supervisory Board may participate with an own investment of up to 10,000 shares and his deputy with up to 7,500 shares. Other Supervisory Board members may participate with an own investment of up to 5,000 shares (cap).

The LTI payment is granted at the end of the performance period, which runs from 1 January 2025 to 31 December 2027, in the form of a one-off cash payment. Both the reason for and the amount of the LTI payment depend on the degree to which financial performance targets are achieved during the performance period. The financial performance targets are total shareholder return (TSR) on the one hand and return on capital employed (ROCE) on the other. TSR is calculated as a percentage and corresponds to the arithmetic mean of the closing prices of Leifheit shares in Xetra trading on the Frankfurt Stock Exchange (or a corresponding successor system) in the last 90 trading days of the performance period (closing price) minus the arithmetic mean of the closing prices of Leifheit shares in Xetra trading on the Frankfurt Stock Exchange (or a corresponding successor system) in the last 90 trading days before the start of the performance period (opening price) plus all dividends per Leifheit share, granted for the financial years 2025, 2026 and 2027, divided by the initial share price. ROCE is the ratio of EBIT to capital employed, i.e. the average total amount (as at the quarterly reporting date) of trade receivables, inventories, contract assets and fixed assets less trade payables and other liabilities as reported in the approved and audited consolidated financial statements of Leifheit AG as at 31 December 2027.

The degree of target achievement is determined as follows:

- The TSR to be achieved by the end of the performance period is 84.5% (TSR performance target). The minimum TSR is 67.6% and the maximum TSR is 101.4%. If the TSR achieved in the performance period is less than the minimum TSR, the degree of target achievement is 0%. If it is the minimum TSR, the degree of target achievement is 50% and if the TSR is the maximum TSR or more, this corresponds to a degree of target achievement of 150%. Intermediate values between a target achievement of 50% and 150% are interpolated linearly.
- The ROCE to be achieved by the end of the performance period is 18.3% (ROCE performance target). The minimum ROCE is 14.6% and the maximum ROCE is 22.0%. If the ROCE achieved in the performance period is less than the minimum ROCE, the degree of target achievement is 0%. If it is the minimum ROCE, the degree of target achievement is 50% and if the ROCE is the maximum ROCE or more, this corresponds to a degree of target achievement of 150%. Intermediate values between a target achievement of 50% and 150% are interpolated linearly.

In the event of extraordinary developments on the part of Leifheit AG (e.g. measures under transformation law, capital measures, acquisition and/or sale of companies and operations, realisation of hidden reserves) that have a significant impact on the achievability of the above target values, the Annual General Meeting is entitled to adjust the target values and other parameters for the LTI calculation in order to neutralise the effects of the extraordinary developments in an appropriate manner. Developments that affect the economy as a whole or the business in which Leifheit AG operates are not extraordinary developments in this sense, provided that there is no particular hardship for Leifheit AG compared to competitors due to special company-specific circumstances.

When calculating the amount of the LTI payment to be granted for a performance period, proceed as follows:

- The two financial performance targets are weighted in the ratio of 70% TSR to 30% ROCE when calculating the LTI payment. For this purpose, the level of TSR achieved is multiplied by 0.7 and the level of ROCE achieved is multiplied by 0.3 and both values are added together, resulting in the level of overall target achievement. The maximum degree of target achievement is 1.5.
- The degree of total target achievement is then multiplied by the number of own investment shares. If, for example, the degree of total target achievement is 110% and the number of own investment shares is 3,000, the product of the total target achievement and the number of own investment shares is $1.1 \times 3,000 = 3,300$.
- The product of the total target achievement and the number of own investment shares is to be multiplied by the final share price, but by a maximum amount of € 31.00 per own investment share. The amount resulting from this multiplication corresponds to the LTI payment amount.

By linking the LTI remuneration component to TSR and ROCE, the Supervisory Board's responsibility for sustainable corporate development is appropriately expressed. Furthermore, the long-term variable remuneration provides an additional incentive for the Supervisory Board members to orientate the performance of their duties towards the long-term, successful development of the company.

6. Availability of variable remuneration components

The members of the Supervisory Board are free to dispose of the variable remuneration components as they fall due.

The STI remuneration component is payable on the third working day following the approval of the respective consolidated financial statements by the Supervisory Board.

If a participating Supervisory Board member is entitled to an LTI payment as part of the long-term variable remuneration component, this is due for payment two weeks after approval of the consolidated financial statements of Leifheit AG as at 31 December 2027 by the Supervisory Board.

There are no deferral periods for the payment of variable remuneration components.

7. Reclaiming variable remuneration components

The entitlement to payment of the LTI remuneration component is subject to the condition subsequent that the eligible Supervisory Board member (i) acquires Leifheit shares for one-sixth of the LTI payment he or she received within three months of the Annual General Meeting in financial year 2028 and (ii) holds these shares for at least three years after acquisition and provides evidence of this after the end of each calendar year by submitting corresponding securities account statements. The requirement to hold the shares ends if the authorised Supervisory Board member leaves the Supervisory Board during the three-year holding period.

8. Procedure for defining, reviewing and implementing of the remuneration

A resolution on the remuneration of Supervisory Board members is passed by the Annual General Meeting at least every four years at the proposal of the Board of Management and the Supervisory Board in accordance with section 113 para. 3 sentence 1 German stock corporation act (AktG). The Annual General Meeting can either confirm the remuneration of the Supervisory Board and/or amend the provisions of the articles of incorporation regarding the Supervisory Board remuneration.