

General information

The remuneration of the Supervisory Board members of init SE was approved with the required majority by a resolution of the Shareholders' Meeting 2019. According to this, the Supervisory Board members receive a basic remuneration, the amount of which depends on the tasks the members assume on the Supervisory Board. Moreover, a variable component for all Supervisory Board members was approved, which depends in equal parts of 50 per cent on the achievement of earnings before interest and taxes (EBIT) and of 50 per cent on the share price, based on reference values. The Supervisory Board takes the view that through a variable component and by also pegging the Supervisory Board remuneration to the key performance indicators and the share price performance, a special contribution to supervision and consulting activities for the long-term development of the company can be achieved that reflects the complexity of the business of init SE.

Specific form

In detail, remuneration is composed according to the following criteria:

1. Each member of the Supervisory Board receives annual basic remuneration of EUR 25k. The Chairperson of the Supervisory Board receives annual basic remuneration of EUR 50k. A larger amount of time is not required by the Deputy Chairperson of the init Supervisory Board, therefore, he/she is not granted a higher basic remuneration.
 - a) The variable component depends in equal parts of 50 per cent on the share price and of 50 per cent on EBIT.
 - b) The variable component depending on the share price is determined based on the difference between a reference value to be specified in the respective resolution of the Shareholders' Meeting and the average price of the respective financial year in which the remuneration was granted. The average price is calculated based on the daily closing rates or, if no closing rates are determined, based on the most recently recorded prices of the day, of the share traded on XETRA (or a comparable successor system) at Frankfurt Stock Exchange.

- c) The variable component depending on EBIT is determined based on the difference between a reference value to be specified in the respective resolution of the Shareholders' Meeting and the group's EBIT of the financial year of the grant.
- d) The determined variable components each account for 50 per cent of the calculation amount of the variable remuneration. This amount is multiplied by the basic remuneration amount.
- e) The variable component is only granted if EBIT reaches at least the specified reference value. Where the determined amount is less than zero, the variable component will not be paid either.
- f) The upper limit of the remuneration of the Supervisory Board members results from the respective sum of the basic remuneration and variable component which is capped at 200 per cent of the respective basic remuneration.

The Managing Board and the Supervisory Board are of the opinion that variable remuneration promotes the Supervisory Board members' long-term commitment to the company that reflects the complexity of the business of init SE. The variable component is also focused on a sustainable development of the company as the current basis of calculation is always based on significant decisions of the past.

2. Due to the small number of Supervisory Board members, it has so far not been necessary to set up Supervisory Board committees for the purpose of effectively performing Supervisory Board activities. However, if committees such as an audit committee have to be formed, there is currently no provision for separate attendance fees for committee members.
3. Supervisory Board members who have not been in office for the entire financial year receive one twelfth of their basic remuneration for each month of membership commenced. The variable component is also calculated on a pro-rata basis.
4. The remuneration is payable at the end of a financial year.
5. The members of the Supervisory Board are covered by a D&O insurance for members of corporate bodies maintained by the company. The premiums for this insurance are paid by the company. Moreover, the company reimburses all

Supervisory Board members for their expenses and any applicable value added tax payable on their remuneration.

Procedure

The remuneration system for the Supervisory Board is resolved by the Shareholders' Meeting, based on a proposal put forward by the Managing Board and the Supervisory Board. On a regular basis, but at least every four years, the Managing Board and the Supervisory Board review if the amount and form of the remuneration are still in line with the market and proportional to the tasks of the Supervisory Board as well as the situation of the company.

Due to the special nature of the remuneration granted for the work on the Supervisory Board, which is fundamentally different from the work of the employees of init SE, a vertical comparison with the remuneration of employees cannot be considered when reviewing and determining the remuneration.

Any conflicts of interest in the review of the remuneration system are counteracted by the statutory system of competences as the final decision-making authority regarding the remuneration of the Supervisory Board lies with the Shareholders' Meeting and this proposed resolution is submitted by both the Managing Board and the Supervisory Board meaning that a system of mutual control is already provided by law.