

HORNBACH Holding AG & Co. KGaA  
Group

2023/24

Remuneration Report

## 2023/24 Remuneration Report

HORNBACH Holding AG & Co. KGaA is a publicly listed company with the legal form of a partnership limited by shares (*Kommanditgesellschaft auf Aktien* – “**KGaA**”). Pursuant to § 162 of the German Stock Corporation Act (*Aktiengesetz* – “**AktG**”), the “management and supervisory boards of the listed company [...] are required to prepare a clear and understandable report each year on the remuneration granted and owed to each individual current or former member of the management and supervisory boards of the company and of companies within the same group (§ 290 of the German Commercial Code (*Handelsgesetzbuch* – “**HGB**”)). As a KGaA, HORNBACH Holding AG & Co. KGaA has a Supervisory Board, but does not have a Board of Management. The management of HORNBACH Holding AG & Co. KGaA is instead incumbent on the unlisted company HORNBACH Management AG as the General Partner. HORNBACH Management AG has a Supervisory Board and a Board of Management.

The Supervisory Board of HORNBACH Holding AG & Co. KGaA and the General Partner HORNBACH Management AG compiled a remuneration report pursuant to § 162 AktG for the first time for the 2021/22 financial year. The Annual General Meeting of HORNBACH Holding AG & Co. KGaA on July 7, 2023 approved the most recent remuneration report for the 2022/23 financial year with a majority of 98.41% of the votes cast. The Supervisory Board of HORNBACH Holding AG & Co. KGaA and the General Partner HORNBACH Management AG have again compiled a remuneration report pursuant to § 162 AktG for the 2023/24 financial year. This report on the one hand presents the remuneration granted and owed to each individual current and former member of the Supervisory Board of HORNBACH Holding AG & Co. KGaA. On the other hand, it voluntarily presents the remuneration granted and owed to each current and former member of the Board of Management and Supervisory Board of HORNBACH Management AG. Moreover, the report explains the principles underlying the remuneration systems for members of the Board of Management and the Supervisory Boards of HORNBACH Holding AG & Co. KGaA and HORNBACH Management AG.

### **A. Remuneration of members of Board of Management of HORNBACH Management AG**

#### **I. Overview of remuneration system for Board of Management of HORNBACH Management AG**

The remuneration of the Board of Management for the 2023/24 financial year is based on the remuneration system adopted by the Supervisory Board of HORNBACH Management AG on December 18, 2019, which took effect as of March 1, 2020. This was amended by a resolution adopted on February 24, 2023, which took effect as of March 1, 2023 (the “**remuneration system of HORNBACH Management AG**”). An overview of this system is presented below.

The remuneration of members of the Board of Management comprises fixed and variable components. Fixed remuneration components for the members of the Board of Management are the fixed annual salary, ancillary benefits, and the company pension scheme. The variable components are one-year variable remuneration (“**OVR**”) and multiyear variable remuneration (“**MVR**”). Furthermore, the remuneration system lays down share ownership guidelines (“**SOG**”) for members of the Board of Management.

The MVR presented in this remuneration report as granted long-term variable remuneration, which was allocated as of March 1, 2020, is based on the remuneration system originally adopted on December 18, 2019. The performance criteria for this MVR are additionally presented extensively and transparently in Section 2.2.1 b).

When contractually determining remuneration, the Supervisory Board also accounts for a market comparison. Upon the most recent revision to remuneration in 2020, the market comparison was based on remuneration paid at SDAX companies (except HORNBACH Holding AG & Co. KGaA). The derivation of the amounts of remuneration was based on the criteria of sales, number of employees, and market capitalization. No amendments have since been made to the target amounts of remuneration.

**Remuneration component**

**Assessment basis / parameter**

**Fixed remuneration components**

**Fixed annual salary** in 12 equal monthly instalments at the end of each calendar month

- Ancillary benefits**
- Private use of a company car
  - Accident insurance
  - Employer grants to health and nursing care insurance
  - Grant to voluntary pension insurance or, alternatively, to contributions to a life insurance policy amounting to 50% of the respectively valid pension insurance rate up to the amount of the assessment ceiling
  - D&O insurance at the expense of HORNBAACH Holding AG & Co. KGaA

Divergent rules apply in some cases for members of the Board of Management who are simultaneously members of the Board of Management of HORNBAACH Baumarkt AG and already entitled to the respective ancillary benefit due to their employment relationship at that company.

**Company pension scheme** Plan type: Defined contribution commitment  
 Contribution: Half-yearly pension contribution amounting to 12.5% of fixed gross annual salary

**Variable remuneration components**

**One-year variable remuneration (OVR)** Plan type: Target bonus  
 Target amount: - Chief Executive Officer: € 265,000  
 - Members of Board of Management: € 60.000  
 Cap: 200% of target amount  
 Performance criteria: - Sales (40%), free cash flow (30%) and EBT (30%) of HORNBAACH Holding AG & Co. KGaA (figures taken from consolidated financial statements)  
 - Modifier (0.8-1.2)  
 Assessment period: One year (prospective)  
 Payment date: Month in which consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for respective financial year are approved, at latest month thereafter.

Objective: To provide an incentive for the Board of Management to focus its activities on the growth strategy pursued by the company and to incentivize the ongoing increase in the company's earnings strength and internal financing potential.

**Multiyear variable remuneration (MVR)** Plan type: Performance cash plan  
 Target amount: - Chief Executive Officer: € 425,000  
 - Members of Board of Management: € 100,000  
 The target amount of the MVR tranche exceeds the OVR target amount  
 Cap: 200% of target amount  
 Performance criteria: - Relative TSR (25%) of HORNBAACH Holding AG & Co. KGaA  
 - ROCE premium over WACC (50%) of HORNBAACH Holding AG & Co. KGaA and  
 - ESG criteria (25%)  
 - Modifier (0.8-1.2)  
 Performance period: Four years (prospective)  
 Payment date: Month in which consolidated financial statements for final financial year in four-year performance period are approved, at latest month thereafter.

Objective: To create long-term incentives to generate an adequate return for shareholders, also by comparison with the market, and to present and promote in the remuneration system for the Board of Management all aspects of sustainably profitable value creation resulting from entrepreneurial actions.

Remuneration component	Assessment basis / parameter
<b>Other provisions</b>	
<b>SOG</b>	<ul style="list-style-type: none"> <li>- Obligation to use 50% of MVR payment amount to acquire shares in HORNBAACH Holding AG &amp; Co. KGaA.</li> <li>- SOG target: 150% of one fixed gross annual salary for Chief Executive Officer; 100% of one fixed gross annual salary for regular member of Board of Management.</li> <li>- Shares to be held for duration of activity on Board of Management.</li> </ul> <p>The share ownership guideline (SOG) is intended in particular to align the remuneration structure to the company's permanent business success. The obligation to acquire and hold shares links the remuneration of the Board of Management to the share price performance of HORNBAACH Holding AG &amp; Co. KGaA, which in turn reflects the company's inherent earnings strength.</p>
<b>Maximum remuneration</b>	<ul style="list-style-type: none"> <li>- Cap on total remuneration payable by HORNBAACH Management AG for a financial year (total of fixed annual salary, variable remuneration components, company pension scheme, and ancillary benefits), irrespective of payment date.</li> <li>- Chief Executive Officer: € 2,040,000; regular members of Board of Management: € 520,000 each</li> <li>- If remuneration exceeds the maximum amount, the MVR payment amount is reduced for the respective grant year.</li> </ul>
<b>Malus and clawback regulations</b>	<ul style="list-style-type: none"> <li>- The Supervisory Board may reduce the OVR and/or MVR payment amounts by up to 100% in the event of improper conduct on the part of a member of the Board of Management during the assessment period ("Malus").</li> <li>- Claim to repayment of OVR and/or MVR in the event of objectively erroneous consolidated financial statements ("clawback").</li> </ul>

By resolution dated February 24, 2023, the Supervisory Board amended the remuneration system at HORNBAACH Management AG with effect as of March 1, 2023 and included ESG criteria as new non-financial performance criteria in the MVR. MVR was allocated for the first time on the basis of the amended remuneration system in the 2023/24 financial year. Detailed report on this MVR will be provided in the remuneration report for the 2026/27 financial year. The ESG criteria are weighted at 25% alongside the existing financial performance criteria of ROCE premium over WACC (new weighting of 50% from the 2023/24 financial year, replacing previous weighting of 75%) and total shareholder return (weighting unchanged at 25%) (for further details, please see 2.2.1 b) ff) (1)).

Outlook for the 2024/25 financial year

By resolution dated February 22, 2024, the Supervisory Board adopted minor amendments to the ESG criteria agreed in the MVR. These take effect as of March 1, 2024 (please see Section 2.2.1 b) ff) (2)).

## II. Remuneration of incumbent members of Board of Management of HORNBAACH Management AG in 2023/24 financial year

### 1. Members of Board of Management of HORNBAACH Management AG in 2023/24 financial year

The following individuals were members of the Board of Management of HORNBAACH Management AG in the 2023/24 financial year:

- Albrecht Hornbach, member of Board of Management and Chief Executive Officer since October 9, 2015
- Karin Dohm, member of Board of Management since January 1, 2021
- Herr Erich Harsch, member of Board of Management since June 1, 2023

In principle, the remuneration paid to members of the Board of Management of HORNBAACH Management AG is also deemed as settlement for activities at subsidiaries and shareholdings.

Albrecht Hornbach is Chair of the Supervisory Boards of HORNBAACH Baumarkt AG and HORNBAACH Immobilien AG. He receives additional remuneration for his activity as Chair of the Supervisory Board of HORNBAACH Baumarkt AG.

Karin Dohm has been a member of the Board of Management of HORNBAACH Baumarkt AG since January 1, 2021. In addition to her remuneration as a member of the Board of Management of HORNBAACH Management AG, in the 2023/24 financial year Karin Dohm also received remuneration as a member of the Board of Management of HORNBAACH Baumarkt AG.

Alongside his function as a member of the Board of Management and Chief Executive Officer of HORNBAACH Baumarkt AG, since June 1, 2023 Erich Harsch has also been a member of the Board of Management of HORNBAACH Management AG. In addition to his remuneration as a member of the Board of Management of HORNBAACH Management AG, in the 2023/24 financial year Erich Harsch also received remuneration as a member of the Board of Management of HORNBAACH Baumarkt AG.

The remuneration system applicable at HORNBAACH Baumarkt AG in the 2023/24 financial year is based on the same principles as the remuneration system at HORNBAACH Management AG (see Section I above). It comprises the same remuneration components and refers to the same performance criteria with the same weightings – merely based in this case on corresponding references to HORNBAACH Baumarkt AG. The remuneration system of HORNBAACH Baumarkt AG was approved by the Annual General Meeting of HORNBAACH Baumarkt AG on July 9, 2020. Upon application by HORNBAACH Baumarkt AG, the Frankfurt Stock Exchange withdrew its approval for shares in HORNBAACH Baumarkt AG to be traded on the Regulated Market of the Frankfurt Stock Exchange as of the conclusion of February 28, 2022, as a result of which the stock market listing of HORNBAACH Baumarkt AG was discontinued pursuant to § 3 (2) AktG (“**delisting**”). By resolution adopted on February 17, 2022 the Supervisory Board therefore adapted the remuneration system for members of the Board of Management of HORNBAACH Baumarkt AG such that, to the extent that their remuneration was previously based on the share price of HORNBAACH Baumarkt AG, such remuneration would from March 1, 2022 refer to the value of the share of HORNBAACH Holding AG & Co. KGaA. Furthermore, by analogy with the amendment made to the remuneration system at HORNBAACH Management AG, on February 23, 2023 the Supervisory Board of HORNBAACH Baumarkt AG adopted a resolution amending the remuneration system for members of the Board of Management of HORNBAACH Baumarkt AG in order to integrate ESG targets as a new third performance criteria in MVR with effect as of March 1, 2023 (for information about the key ESG criteria also applicable to MVR at HORNBAACH Baumarkt AG, please see a).1.1.1b)ff)(2)). By resolution dated February 20, 2024, the Supervisory Board of HORNBAACH Baumarkt AG amended the ESG criteria agreed in the MVR by analogy with the amendment at HORNBAACH Management AG; this amendment takes effect as of March 1, 2024).

The disclosures provided on the remuneration granted and owed in the 2023/24 financial year include disclosures on the remuneration at HORNBAACH Baumarkt AG.

### 2. Remuneration granted and owed in 2023/24 financial year

Pursuant to § 162 (1) Sentence 1 AktG, the remuneration report must report on the remuneration granted and owed to each individual member of the Board of Management in the past financial year. The terms used are based on the following understanding of the concepts:

- The term “granted” refers to “*the actual payment of the remuneration component*”
- The term “owed” refers to “*all legally existent liabilities for remuneration components that are due for payment but which have not yet been settled*”.

In this remuneration report, those variable remuneration components for which the assessment period expired in the year under report, meaning that the activity underlying the respective component of variable remuneration has been fully performed, are viewed as actually granted.

## 2.1. Tabular overview

The remuneration tables below present the remuneration for the assessment period ending on February 29, 2024 as being granted and owed. Accordingly, the following components are reported as remuneration granted in the 2023/24 financial year:

- The basic salary paid in the 2023/24 financial year
- The ancillary benefits granted in the 2023/24 financial year
- The OVR paid at the beginning of the 2024/25 financial year for the 2023/24 financial year
- The MVR paid at the beginning of the 2024/25 financial year for the performance period from March 1, 2020 to February 29, 2024.

As HORNBAACH Management AG is not in arrears with the payment of remuneration components, none of the remuneration components presented in the tables are owed.

<b>Albrecht Hornbach</b>				
<b>Chief Executive Officer</b>				
	<b>2023/24</b>		<b>2022/23</b>	
	in €	in % <sup>1</sup>	in €	in %
<b>Fixed remuneration components</b>				
Basic salary	480,000	36	480,000	60
Ancillary benefits	33,669	3	33,061	4
<b>Total in €</b>	<b>513,669</b>		<b>513,061</b>	
<b>Variable remuneration components</b>				
One-year variable remuneration (OVR)	2,600	0	291,500	36
Multiyear variable remuneration (MVR)	820,000	61	-	-
<b>Total – remuneration granted and owed in €</b>	<b>1,336,269</b>		<b>804,561</b>	
Pension expenses <sup>2</sup> in €	120,000		120,000	
<b>Total remuneration including pension expenses in €</b>	<b>1.456.269</b>		<b>924.561</b>	
Maximum remuneration at HORNBAACH Management AG in €	2,040,000		2,040,000	
Clawback pursuant to § 162 (1) Sentence 2 No. 4 AktG	-		-	

<sup>1</sup> The percentages stated in this and subsequent tables on remuneration for the Board of Management denote the respective share of total remuneration granted and owed in the respective financial year.

<sup>2</sup> The pension expenses stated in this and subsequent tables on remuneration for the Board of Management are disclosed as service cost pursuant to IAS 19. Service cost pursuant to IAS 19 does not constitute "granted or owed" remuneration as defined in § 162 (1) Sentence 1 AktG, as it was not actually received by the member of the Board of Management in the year under report.

<b>Karin Dohm</b>				
<b>CFO</b>				
	<b>2023/24</b>		<b>2022/23</b>	
	in €	in %	in €	in %
<b>Fixed remuneration components</b>				
Basic salary at HORNBACH Management AG	112,000	16	112,000	12
Basic salary at HORNBACH Baumarkt AG	450,000	63	450,000	49
Ancillary benefits at HORNBACH Baumarkt AG	19,618	3	19,198	2
<b>Total in €</b>	<b>581,618</b>		<b>581,198</b>	
<b>Variable remuneration components</b>				
One-year variable remuneration (OVR) at HORNBACH Management AG	600	0	66,000	7
One-year variable remuneration (OVR) at HORNBACH Baumarkt AG	0	0	275,000	30
Multiyear variable remuneration (MVR) at HORNBACH Management AG	31,000 <sup>3</sup>	4	-	-
Multiyear variable remuneration (MVR) at HORNBACH Baumarkt AG	101,000 <sup>4</sup>	14	-	-
<b>Total – remuneration granted and owed in €</b>	<b>714,218</b>		<b>922,198</b>	
Pension expenses at HORNBACH Management AG in €	28,000		28,000	
Pension expenses at HORNBACH Baumarkt AG in €	112,500		112,500	
<b>Total remuneration including pension expenses in €</b>	<b>854,718</b>		<b>1,062,698</b>	
Maximum remuneration at HORNBACH Management AG in €	520,000		520,000	
Maximum remuneration at HORNBACH Baumarkt AG in €	1,822,500		1,822,500	
Clawback pursuant to § 162 (1) Sentence 2 No. 4 AktG	-		-	

<sup>3</sup> As Karin Dohm has been a member of the Board of Management of HORNBACH Management AG since January 1, 2021, the multiyear variable remuneration (MVR) in the 20/21 tranche has been calculated on a time-apportioned basis for 59 days.

<sup>4</sup> As Karin Dohm has been a member of the Board of Management of HORNBACH Baumarkt AG since January 1, 2021, the multiyear variable remuneration (MVR) in the 20/21 tranche has been calculated on a time-apportioned basis for 59 days.

**Erich Harsch**

	2023/24		2022/23	
	in €	in %	in €	in %
<b>Fixed remuneration components</b>				
Basic salary at HORNBACH Management AG	84,000	5	-	-
Basic salary at HORNBACH Baumarkt AG	506,250 <sup>5</sup>	33	-	-
Ancillary benefits at HORNBACH Baumarkt AG	30,584 <sup>6</sup>	2	-	-
<b>Total in €</b>	620,834		-	
<b>Variable remuneration components</b>				
One-year variable remuneration (OVR) at HORNBACH Management AG <sup>7</sup>	400	0	-	-
One-year variable remuneration (OVR) at HORNBACH Baumarkt AG	0	0	-	-
Multiyear variable remuneration (MVR) at HORNBACH Management AG	0	0	-	-
Multiyear variable remuneration (MVR) at HORNBACH Baumarkt AG	935,000 <sup>8</sup>	60	-	-
<b>Total – remuneration granted and owed in €</b>	<b>1,556,234</b>		<b>-</b>	
Pension expenses at HORNBACH Management AG in €	21,000		-	
Pension expenses at HORNBACH Baumarkt AG in €	126,563 <sup>9</sup>		-	
<b>Total remuneration including pension expenses in €</b>	<b>1,703,797</b>		<b>-</b>	
Maximum remuneration at HORNBACH Management AG in €	520,000		-	
Maximum remuneration at HORNBACH Baumarkt AG in €	2,703,750		-	
Clawback pursuant to § 162 (1) Sentence 2 No. 4 AktG	-		-	

<sup>5</sup> Erich Harsch has been a member of the Board of Management of HORNBACH Management AG since June 1, 2023. As a result, the basic salary, ancillary benefits, pension expenses, and one-year variable remuneration (OVR) at HORNBACH Baumarkt AG in the 2023/24 financial year have been stated on a time-apportioned basis for 9 months.

<sup>6</sup> See Footnote 5

<sup>7</sup> See Footnote 5

<sup>8</sup> The payment amount from the multi-year variable remuneration (MVR) at HORNBACH Baumarkt AG for the performance period from 2020/21 to 2023/24 is reported in its full amount as remuneration granted for the 2023/24 financial year, as Erich Harsch was a member of the Board of Management of HORNBACH Baumarkt AG for the whole 2020/21 financial year.

<sup>9</sup> See Footnote 5



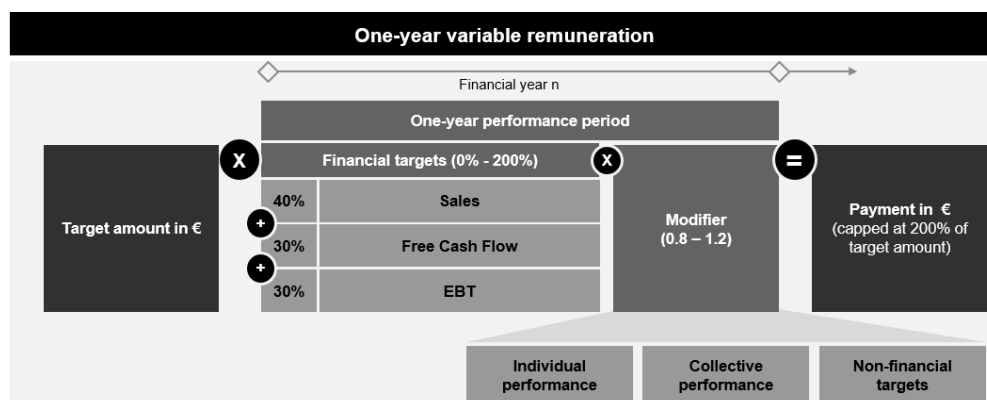
## 2.2. Explanatory notes

### 2.2.1. Performance criteria for variable remuneration

a) Performance criteria for one-year variable remuneration (OVR)

aa) Overview of OVR

OVR is a performance-related bonus with a one-year assessment period. In the first step, OVR is dependent on key financial performance criteria at HORNBAACH Holding AG & Co. KGaA. In the second step, the Supervisory Board may apply a modifier to account for the performance of the individual member of the Board of Management, the collective performance of the overall Board of Management, and the achievement of relevant non-financial targets.



The target amount for OVR amounts to € 265,000 per financial year for the CEO and to € 60,000 per financial year for regular members of the Board of Management. The payment amount for the OVR may range between € 0 (minimum amount) and € 530,000 (CEO) and € 120,000 (regular members of Board of Management).

bb) Financial performance criteria

The three financial performance criteria used to calculate the amount of OVR remuneration paid are: sales, which are weighted at 40%, and free cash flow and earnings before taxes (“EBT”), both of which are weighted at 30%. This on the one hand provides an incentive for the Board of Management to focus its activities on the growth strategy pursued by the company. On the other hand, it provides an incentive for continually increasing the company’s earnings strength and internal financing potential. The figures are based on those reported in the approved and audited consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for the respective financial year.

The Supervisory Board of HORNBAACH Management AG sets targets for the individual financial performance criteria before the beginning of the respective financial year. Upon the conclusion of the financial year, total target achievement is calculated on the basis of target achievement in the individual financial performance criteria. To determine target achievement for the three financial performance criteria, for each criterion the Supervisory Board of HORNBAACH Management AG compares the actual value upon expiry of the financial year with the actual value for the previous year (strategic growth rate). For the 2023/24 financial year, the Supervisory Board stipulated the following targets and determined the following levels of target achievement:

Sub-target	Weighting	Threshold (0%)	Target value (100%)	Maximum value (200%)	Actual value (2023/24)	Target achievement
Sales	40%	€ 6.2 billion	€ 6.5 billion	€ 6.8 billion	€ 6.16 billion	0%
Free cash flow	30%	€ 230 million	€ 290 million	€ 350 million	€ 232 million	3.22 %
EBT	30%	€ 230 million	€ 260 million	€ 290 million	€ 179 million	0%

cc) Modifier

To supplement the financial performance criteria, the Supervisory Board of HORNBAACH Management AG stipulates criteria for the modifier, generally before the beginning of the respective financial year. By way of the modifier, the Supervisory Board can assess the performance of the individual member of the Board of Management, the performance of the overall Board of Management, and the achievement of non-financial targets, such as stakeholder and ESG (Environment, Social, Governance) targets, in each case referring to HORNBAACH Management AG and HORNBAACH Holding AG & Co. KGaA. Before the beginning of the financial year, the Supervisory Board defined the following criteria for the modifier for the 2023/24 financial year:

The collective performance of the Board of Management, specifically:

- Sharpening the instruments needed to better understand customers' needs and corresponding further development of service portfolio in interconnected retail ("ICR")
- Development in market share
- Change management in the context of migration to a new enterprise resource planning ("ERP") system
- Measures to analyze potential for reductions in Scopes 1 and 2; and

the non-financial target

- Further development in sustainability concepts and targets (non-tradable goods, Scope 3, corporate volunteering).

The individual modifier is determined by the Supervisory Board of HORNBAACH Management AG at its due discretion. The modifier generally amounts to 1.0 and may be adjusted to a value between 0.8 and 1.2 if the financial performance criteria alone do not adequately reflect the performance of the member of the Board of Management. For the 2023/24 financial year, the Supervisory Board set the modifier at 1.0.

dd) Calculation of OVR payment amount

The target amount of OVR is paid if target achievement amounts to 100%.

If the employment relationship of the member of the Board of Management begins or ends in the current financial year, the target amount is proportionately reduced on a pro rata temporis basis as of the beginning or end of the employment relationship. The same applies by analogy to periods in which the member of the Board of Management, while still employed, has no claim to remuneration. If the employment relationship ends, the OVR is calculated for the current financial year in accordance with general provisions governing the OVR and paid at the regular date. All claims to OVR relating to a current assessment period, i.e. a current financial year, lapse without replacement or compensation in the following "bad leaver" cases: The employment contract with the member of the Board of Management ends prior to expiry of the assessment period due to extraordinary termination by HORNBAACH Management AG for a compelling reason pursuant to § 626 of the German Civil Code (*Bürgerliches Gesetzbuch* – "**BGB**") for which the member of the Board of Management is responsible; the appointment of the member of the Board of Management ends before expiry of the assessment period due to the appointment as a member of the Board of Management being revoked as a result of a gross breach of duty, or the appointment of the member of the Board of Management ends before expiry of the assessment period due to his or her resigning, without such resignation being caused by a breach of duty on the part of HORNBAACH Management AG or by ill health on the part of the member of the Board of Management or of a close family member.

Based on the target achievements, the (rounded) payment amount for the OVR is calculated as follows:

OVR payment amount for CEO: € 265,000 (target amount) x [target achievement for sales of 0% x 40% + target achievement for free cash flow of 3.22% x 30% + target achievement for EBT of 0% x 30%] x modifier of 1.0 = € 2,600

OVR payment amount for regular members of Board of Management: € 60,000 (target amount) x [target achievement for sales of 0% x 40% + target achievement for free cash flow of 3.22% x 30% + target achievement for EBT of 0% x 30%] x modifier of 1.0 = € 600

ee) OVR payment and cap

The annual OVR payment amount is capped at a maximum of 200% of the target amount. The payment amount is due for payment at the latest in the month following approval of the consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for the financial year to which the OVR refers.

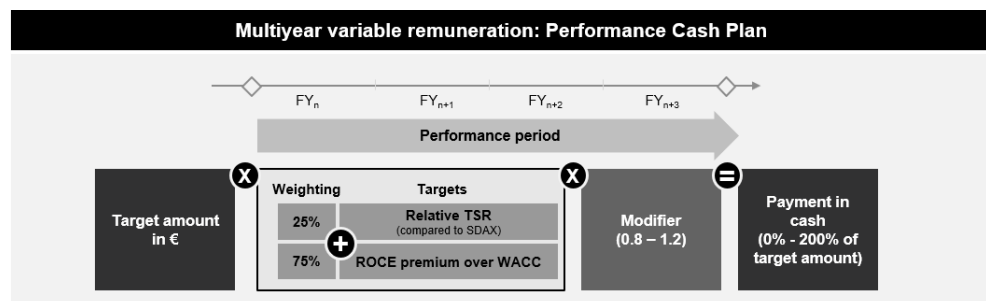
b) Performance criteria for multiyear variable remuneration (MVR)

The first tranche of MVR was allocated as of March 1, 2020 (2020/21 financial year). Its four-year performance period ended upon the conclusion of February 29, 2024. It will be paid at the beginning of the 2024/25 financial year. Accordingly, in this remuneration report MVR is presented for the first time as granted remuneration. Further tranches of MVR were allocated as of March 1 in each case for the 2021/22, 2022/23, and 2023/24 financial years. Their respective four-year performance periods will end upon the conclusion of February 28/29 in each case in the financial years from 2025/26 to 2027/28. The performance criteria for the MVR allocated as of March 1, 2020 are reported below.

aa) Overview of MVR 2020/21

MVR is structured as a performance cash plan that is granted annually in rolling tranches. Each tranche of the performance cash plan has a four-year term (“**performance period**”). Each performance period begins on March 1 of the first financial year in the performance period (“**grant year**”) and ends on February 28/29 of the third year following the grant year. The target amount for the MVR tranche exceeds the targeted amount for OVR in the respective grant year.

In the first step, MVR is dependent on key financial performance criteria at HORNBAACH Holding AG & Co. KGaA. In the second step, the Supervisory Board may apply a modifier to account for the performance of the individual member of the Board of Management, the collective performance of the overall Board of Management, and achievement of relevant non-financial targets, such as stakeholder and ESG (Environment, Social, Governance) targets, in each case referring to HORNBAACH Management AG and to HORNBAACH Holding AG & Co. KGaA. Following expiry of the performance period, the target achievement for MVR is calculated over the four-year performance period and the payment amount for each member of the Board of Management is determined in line with the level of target achievement.



The target amount for MVR amounts to € 425,000 per financial year for the CEO and to € 100,000 per financial year for regular members of the Board of Management. The payment amount for the MVR may range between € 0 (minimum amount) and € 850,000 (CEO) and € 200,000 (regular members of Board of Management). It is thus ensured that MVR outweighs OVR in the event of 100% target achievement.

bb) Financial performance criteria for MVR 2020/21

The key financial performance criteria for MVR are the relative total shareholder return (“TSR”) of HORNBAACH Holding AG & Co. KGaA compared with the TSRs of companies listed in the SDAX throughout the entire performance period (except HORNBAACH Holding AG & Co. KGaA with ISIN DE0006083405), which is weighted at 25%, and the return premium (expressed by the return on capital employed, “ROCE”) less the weighted average cost of capital (“WACC”) (“**ROCE premium over WACC**”) of the HORNBAACH Holding AG & Co. KGaA Group during the four-year performance period, which is weighted at 75%. This on the hand creates long-term incentives to generate an adequate return for shareholders, also by comparison with the market. On the other hand, the remuneration system for members of the Board of Management presents and promotes all aspects of sustainably profitable value creation resulting from their entrepreneurial actions.

The Supervisory Board of HORNBAACH Management AG sets targets for the financial performance criteria before the beginning of the respective financial year. Upon the conclusion of the financial year, total target achievement is calculated on the basis of target achievement in the individual financial performance criteria. For the 2020/21 financial year, the Supervisory Board stipulated the following targets and determined the following levels of target achievement:

Sub-target	Weighting	Threshold (0%)	Target value (100%)	Maximum value (200%)	Actual value (2023/24)	Target achievement
TSR	25%	25%	50%	75%	79%	200%
ROCE-premium over WACC	75%	0.5%	1.0%	1.5%	1.45%	190.5%

cc) Modifier for MVR 2020/21

By analogy with OVR and the principles presented in 02.2.1 cc), the Supervisory Board may supplement the financial performance criteria with the modifier to account for the performance of the individual member of the Board of Management, the performance of the overall Board of Management, and the achievement of non-financial targets, such as stakeholder and ESG targets, referring in each case to HORNBAACH Management AG and HORNBAACH Holding AG & Co. KGaA, and, at its due discretion, set the modifier at between 0.8 and 1.2 for each member of the Board of Management. In accordance with the transitional requirements, for the OVR paid at the beginning of the 2024/25 financial year for the 2020/21 financial year with the performance period from March 1, 2020 to February 29, 2024, the Supervisory Board set the modifier at 1.0.

dd) Calculation of payment amount for MVR 2020/21

The MVR target amount is disbursed in the event of 100% target achievement.

If the employment relationship or MVR participation entitlement of the respective member of the Board of Management begins or ends during the grant year, the target amount is proportionately reduced on a pro rata temporis basis. This means that the target amount of MVR is reduced by 1/365 for each day in the grant year on which there was no employment relationship or no entitlement to participate. The same applies by analogy to periods in which the member of the Board of Management, while still employed, has no claim to remuneration. If the employment relationship ends, the MVR is calculated for the current performance periods in accordance with general provisions governing the MVR and paid at the regular date. All claims to MVR relating to a current assessment period, i.e. a current performance period, lapse without replacement or compensation in the "bad leaver" cases presented for OVR.

Based on the target achievements, the (rounded) payment amount for the MVR 2020/21 is calculated as follows:

MVR payment amount for CEO: € 425,000 (target amount) x [target achievement for TSR of 200% x 25% + target achievement for ROCE premium over WACC of 190.5% x 75%] x modifier of 1.0 = € 820,000

MVR payment amount for regular members of Board of Management: € 100,000 (target amount) x [target achievement for TSR of 200% x 25% + target achievement for ROCE premium over WACC of 190.5% x 75%] x modifier of 1.0 = € 193,000

ee) Payment of MVR 2020/21 and cap

The MVR payment amount is capped for each tranche at a maximum of 200% of the target amount. The cap was not reached for MVR 2020/21. The payment amount is due for payment at the latest in the month following approval of the consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for the final financial year in the four-year performance period.

ff) Outlook for MVR from the 2023/24 financial year

(1) Amendment to MVR from the 2023/24 financial year

Since March 1, 2023, MVR has also depended on the achievement of ESG criteria as a new third non-financial performance criterion. The ESG criteria are weighted at 25%, while the weighting of the ROCE premium over WACC financial performance criterion has been correspondingly reduced to 50%. Target achievement for the ESG targets performance criterion in the MVR tranche for the grant year 2023/24 will be assessed by reference to the weighted target achievement of the five following individual ESG targets, with each individual target accounting for 5%:

- Number of articles in the listed stock range that has been investigated at the end of the performance period to ascertain their sustainability benefits in terms of production, logistics and/or application compared with alternative products and, if applicable labeled with the label developed within the Group for this purpose, expressed as a percentage of the total product range ("**sustainability labeling**").
- Reduction in greenhouse gas emissions ("**CO<sub>2e</sub>**") in the GHG categories Scope 1.01 (stationary combustion), 2.02 (electricity) and 2.03 (heat) per square meter of heated space in the final financial year in the performance period compared with the 2020/21 base year in which these figures were first measured ("**reduction in CO<sub>2e</sub> emissions**"). The reduction in CO<sub>2e</sub> emissions in kilograms is expressed as a percentage and calculated by comparing the quotient of total CO<sub>2e</sub> emissions in kilograms in the final financial year of the performance period and the relevant heated space in square meters with the equivalent figure calculated using the same methodology for the 2020/21 financial year.
- Employee satisfaction by stating for each financial year in the performance period the number of terminations of permanent employment relationships, whether initiated by employees or employers, as a proportion of the average number of employees in the financial year as reported in the Non-Financial Group Report and subsequently stating the average figure for the individual financial years in the performance period ("**employee satisfaction**").
- Broadening diversity in the two management levels below the Board of Management ("**diversity**"). Diversity is measured by reporting the number of women managers compared with the total number of managers on the two management levels below the Board of Management as reported in the Corporate Governance Statement as a percentage and subsequently stating the average figure for the individual financial years in the performance periods.
- Global customer satisfaction as reported in the Kundenmonitor surveys for Germany, Austria, and Switzerland currently conducted by Service Barometer AG ("**customer satisfaction**"). Achievement is assessed by reference to the weighted average score which HORNBAACH receives for the individual years in the performance period and in terms of the threshold value also to the amount by which this score falls short (i.e. outperforms) the weighted sector average score during the last four calendar years before the end of the performance period.

(2) Further adjustment to MVR from the 2024/25 financial year:

The calculation bases used to measure the individual ESG targets of CO<sub>2</sub> emissions, employee satisfaction, and diversity have been updated for the 2024/25 financial year. The Supervisory Board has adjusted the terms of the MVR as appropriate. Accordingly, target achievement for the ESG targets performance criterion in the MVR tranche for the 2024/25 grant year is assessed by reference to weighted achievement of the five following individual ESG targets, with each individual target accounting for 5%. These individual targets also apply for subsequent grant years unless the Supervisory stipulates otherwise:

- Number of articles in the listed stock range that has been investigated at the end of the performance period to ascertain their sustainability benefits in terms of production, logistics and/or application compared with alternative products and, if applicable labeled with the label developed within the Group for this purpose, expressed as a percentage of the total product range ("**sustainability labeling**").

- Reduction in emissions harmful to the climate (CO<sub>2e</sub>) in the GHG categories Scope 1 and Scope 2 in absolute figures and in the unit of tonnes compared with the 2021/22 base year.
  - Employee satisfaction by stating for each financial year in the performance period the number of terminations of permanent employment relationships of employees as a proportion of the average number of employees in the financial year and subsequently stating the average figure for the individual financial years in the performance period (“**employee satisfaction**”).
  - Broadening diversity in the two management levels below the Board of Management (“**diversity**”). Diversity is measured by reporting for each year in the performance period the number of women managers on the two management levels below the Board of Management in each case as a percentage of the total number of managers on the respective management level and subsequently stating the average figure for the respective management level for the individual financial years in the performance periods.
- c) As the General Partner of HORNBAACH Holding AG & Co. KGA, the members of the Board of Management discharge their responsibilities for the business with particular diligence. Due account is therefore taken of this particular responsibility by including malus regulations in the employment contracts concluded with members of the Board of Management. The malus regulations are applied if, during the assessment period for the OVR and/or MVR, any breach of duty or improper conduct is determined or if the duties of care defined in § 93 AktG are materially breached. In these cases, the Supervisory Board may, at its own due discretion, reduce the OVR and/or MVR calculated for the respective assessment period by up to 100%. The Supervisory Board bases any decision as to whether and to what extent the malus regulations should be applied on the following particular considerations:
- the degree of culpability
  - the significance of the duty breached
  - the scope of the individual’s own contribution to causing the breach of duty
  - the level of any damages
  - the existence of previous individual misconduct or organizational fault in the three financial years preceding the assessment period
  - potential penalties imposed by the authorities.
- Furthermore, a clawback regulation has been agreed with the members of the Board of Management in the event of erroneous consolidated financial statements.
- d) The share ownership guideline (“SOG”) forms a constituent component of the employment contracts concluded with members of the Board of Management; this stipulates a basic obligation on the part of members of the Board of Management to acquire shares and stipulates the respective amounts.

### 2.2.2. Conformity with remuneration system

The remuneration granted and owed to the members of the Board of Management in the 2023/24 financial year conforms to the provisions of the remuneration system at HORNBAACH Management AG. There were no deviations from the applicable remuneration system in the 2023/24 financial year. The OVR payment amount at HORNBAACH Management AG did not require reducing, as 200% of the OVR target amount was not achieved. The MVR payment amount at HORNBAACH Management AG also did not require reducing, as 200% of the MVR target amount was not achieved and the maximum remuneration for the 2020/21 financial year was also not exceeded by the MVR 2020/21. Furthermore, the total remuneration granted and owed to members of the Board of Management in the 2023/24 financial year also did not exceed the maximum remuneration stipulated in the remuneration system. In calculating the MVR payment amount for the 2023/24 financial year (upon the conclusion of the 2026/27 financial year), a calculation will be made to ascertain whether the maximum remuneration is exceeded due to the MVR payment amount; if necessary, the MVR payment amount will be correspondingly reduced.

### 2.2.3. No clawbacks in 2023/24 financial year

HORNBAACH Management AG did not claw back any variable remuneration components from individual members of the Board of Management in the 2023/24 financial year. No factual preconditions for any such clawback were met.

## 2.2.4. Payments and commitments in the event of termination of employment

- a) Payments and commitments to members of the Board of Management in the event of premature termination of activity on the Board of Management
- aa) Should the activity of a member of the Board of Management be terminated prematurely, then any potential severance pay, including ancillary benefits, is capped at a maximum of two annual remuneration packages. If the remaining term of the employment contract amounts to fewer than two years, the severance pay may not exceed the contractual remuneration for the remaining term (“**severance pay cap**”). The calculation of the severance pay cap is generally based on total remuneration for the past financial year and, where appropriate, also on expected total remuneration for the current financial year. If a retrospective prohibition on competition is agreed, then any severance pay is imputed to the remuneration agreed as compensation for such prohibition. If the employment contract is terminated by the member of the Board of Management, or due to a compelling reason for which he or she is responsible, then severance pay is precluded.
- bb) The members of the Board of Management receive a company pension from HORNBACH Management AG in the form of a defined contribution commitment, also if their activity as a member of the Board of Management is terminated prematurely.
- cc) Should the employment relationship be prematurely terminated before the end of the financial year or performance period, the OVR and MVR are not paid prematurely, but rather at the regular point in time.

- b) Pension commitments to members of the Board of Management upon the regular conclusion of their activity on the Board of Management

Should the employment relationship be regularly terminated before the end of the financial year or performance period, the OVR and MVR are also not paid prematurely, but rather at the regular point in time.

Upon the regular conclusion of their activity on the Board of Management, the members of the Board of Management receive a retirement pension. This is paid upon the respective member reaching the age of 65. Members of the Board of Management have received a defined contribution commitment covering retirement, invalidity, and surviving dependent pensions. A pension contribution amounting to 12.5% of the fixed gross annual salary is paid in for every half year of the respective appointment to the Board of Management.

The following overview presents these retirement pensions on an individualized basis for members of the Board of Management in the 2023/24 financial year. The figures are broken down into the present value and the amount expended by HORNBACH Management AG for this during the past financial year.

	Present value	Amount expended in 2023/24 financial year
<b>Albrecht Hornbach</b>	2,814,766	120,000
<b>Karin Dohm</b>		
HORNBACH Management AG	99,143	28,000
HORNBACH Baumarkt AG	397,644	112,500
<b>Erich Harsch</b>		
HORNBACH Management AG	21,445	21,000
HORNBACH Baumarkt AG	754,972	126,563 <sup>10</sup>

- c) Payments and commitments to members of the Board of Management retiring in the 2023/24 financial year
- No members retired from the Board of Management of HORNBACH Management AG in the 2023/24 financial year.

<sup>10</sup> Erich Harsch has been a member of the Board of Management of HORNBACH Management AG since June 1, 2023. As a result, the pension expenses at HORNBACH Baumarkt AG in the 2023/24 financial year have been stated on a time-apportioned basis for 9 months.

### III. Remuneration of former members of the Board of Management

#### 1. Remuneration granted and owed in 2023/24 financial year (individualized)

Pursuant to § 162 (1) Sentence 1 AktG, report must also be provided on the remuneration granted and owed to former members of the Board of Management. Roland Pelka retired from his positions as a member of the Board of Management of HORNBACH Management AG and HORNBACH Baumarkt AG upon the conclusion of March 31, 2021, with the corresponding employment contracts expiring as of October 31, 2021 and September 30, 2021 respectively. The remuneration granted and owed is presented in the table below.

<b>Roland Pelka</b>				
<b>CFO</b>				
<b>until March 31, 2021</b>				
	<b>2023/24</b>		<b>2022/23</b>	
	in €	in % <sup>11</sup>	in €	in %
<b>Fixed remuneration components</b>				
Basic salary at HORNBACH Management AG	0	0	0	0
Basic salary at HORNBACH Baumarkt AG	0	0	0	0
Ancillary benefits at HORNBACH Baumarkt AG	0	0	0	0
<b>Total in €</b>	<b>0</b>		<b>0</b>	
<b>Variable remuneration components</b>				
One-year variable remuneration (OVR) at HORNBACH Management AG	0	0	0	0
One-year variable remuneration (OVR) at HORNBACH Baumarkt AG	0	0	0	0
Multiyear variable remuneration (MVR) at HORNBACH Management AG	193,000	15	0	0
Multiyear variable remuneration (MVR) at HORNBACH Baumarkt AG	694,000	56	0	0
<b>Pension payments (from January 1, 2022)</b>				
Pension at HORNBACH Management AG	60,000	5	60,000	17
Pension at HORNBACH Baumarkt AG	300,000	24	300,000	83
<b>Total – remuneration granted and owed in €</b>	<b>1,247,000</b>		<b>360,000</b>	
Pension expenses at HORNBACH Management AG	0		0	
Pension expenses at HORNBACH Baumarkt AG	0		0	
<b>Total remuneration including pension expenses in €</b>	<b>1,247,000</b>		<b>360,000</b>	

Pursuant to § 162 (5) Sentence 2 AktG, the obligation to report on remuneration granted and owed to former members of the Board of Management in the year under report on an individualized basis extends to include remuneration granted and owed up to the conclusion of ten years after the financial year in which the former member of the Board

<sup>11</sup> The percentages stated in this table denote the respective share of total remuneration granted and owed in the respective financial year.



of Management stood down from the position most recently held on the Board of Management or Supervisory Board at HORNBAACH Management AG. Accordingly, this includes members of the Board of Management who stood down from their most recent positions on the Board of Management or Supervisory Board of HORNBAACH Management AG after the 2013/14 financial year.

In the 2023/24 financial year there was no other remuneration granted or owed which required report for former members of the Board of Management.

## 2. Total remuneration granted to former members of Board of Management who stood down prior to 2014

Pursuant to § 162 (5) Sentence 2 AktG, there is no obligation to provide individualized disclosures on remuneration granted and owed in the 2023/24 financial year to former members of the Board of Management who already stood down from their most recent positions on the Board of Management or Supervisory Board of HORNBAACH Management AG prior to the beginning of the 2014/15 financial year and to which accordingly any remuneration granted and owed in the 2023/24 financial year would be thereby granted and owed more than ten years after their standing down from their positions at HORNBAACH Management AG. In the 2023/24 financial year, there was no total remuneration granted and owed to former members of the Board of Management that would require report.

## IV. Comparative presentation

The table below presents a comparison of the percentage change of the remuneration paid to members of the Board of Management with the earnings performance of HORNBAACH Holding AG & Co. KGaA and with average remuneration paid to employees on a full-time equivalent basis compared with the previous year.

The earnings performance is presented by reference to the relative change in the key figures of the annual net surplus at HORNBAACH Holding AG & Co. KGaA (annual financial statements) and the earnings before taxes (EBT) and sales of the HORNBAACH Holding AG & Co. KGaA Group.

The comparison with the development in average remuneration paid to employees has been based on the employees at HORNBAACH Holding AG & Co. KGaA, HORNBAACH Baumarkt AG, and HORNBAACH Baustoff Union GmbH on a full-time equivalent basis.

Annual change in %	2023/24 compared with 2022/23 <sup>12</sup>	2022/23 compared with 2021/22	2021/22 compared with 2020/21
<b>Board of Management remuneration<sup>13</sup></b>			
Albrecht Hornbach	66.1%	-22.9%	0.1%
Karin Dohm	-22.6%	-23.2%	600% <sup>14</sup>
Roland Pelka	246.4%	-61.4% <sup>15</sup>	-35.5% <sup>16</sup>
Erich Harsch <sup>17</sup>	100%	n/a	n/a
<b>Earnings performance</b>			
Annual net surplus at KGaA	32.1%	4.9%	4.3%
Earnings before taxes (EBT) <sup>18</sup> at Group	-17.9%	-30.5%	18.1%
Sales at Group	-1.6%	6.6%	7.7%
<b>Remuneration of employees</b>			
Employees of HORNBAACH Holding AG & Co. KGaA, HORNBAACH Baumarkt AG, and HORNBAACH Baustoff Union GmbH	3.0%	3.8%	1%

<sup>12</sup> Pursuant to the transitional requirement of § 26j (2) Sentence 2 EGAktG, through to the conclusion of the 2025/26 financial year, the comparative analysis should only include average remuneration in the period since the 2020/21 financial year, rather than the average remuneration in the past five financial years.

<sup>13</sup> "Granted and owed" remuneration as defined in § 162 (1) Sentence 1 AktG

<sup>14</sup> Karin Dohm joined the company as of January 1, 2021 and was therefore a member of the Boards of Management of HORNBAACH Management AG and HORNBAACH Baumarkt AG for only two months in the comparative 2020/21 financial year.

<sup>15</sup> Roland Pelka has received pension payments from HORNBAACH Management AG and HORNBAACH Baumarkt AG since January 1, 2022.

<sup>16</sup> Due to his departure from the company, the employment contracts between Roland Pelka and HORNBAACH Management AG and HORNBAACH Baumarkt AG expired during the 2021/22 financial year (HORNBAACH Management AG: October 31, 2021; HORNBAACH Baumarkt AG: September 30, 2021).

<sup>17</sup> Erich Harsch has been a member of the Board of Management of HORNBAACH Management AG since June 1, 2023.

<sup>18</sup> Consolidated earnings before taxes on income

## **B. Remuneration of members of Supervisory Board of HORNBAACH Management AG**

### **I. Overview of remuneration**

The remuneration of the Supervisory Board is governed by § 4.7 of the Articles of Association of HORNBAACH Management AG in the version dated July 2023. The remuneration of Supervisory Board members comprises fixed annual basic remuneration. The fixed annual basic remuneration amounts to € 40,000.00 for each Supervisory Board member. The Chair receives twice this amount, namely € 80,000.00 and the Deputy Chair receives one-and-a-half times this amount, namely € 60,000.00. If a Supervisory Board member is simultaneously a member of the Supervisory Board of HORNBAACH Holding AG & Co. KGaA and receives remuneration for his or her activities there, the fixed annual basic remuneration is reduced by half. The same applies with regard to the additional portion of remuneration for the Chair and his or her Deputy to the extent that the respective Supervisory Board member is simultaneously Chair or Deputy of the Supervisory Board of HORNBAACH Holding AG & Co. KGaA. Furthermore, Supervisory Board members also sitting on a Supervisory Board committee receive fixed committee remuneration. Fixed committee remuneration amounts to € 36,000.00 for the Chair and € 18,000.00 for each other member in the Audit Committee, to € 24,000.00 for the Chair and € 12,000.00 for each other member in the Personnel Committee, and to € 16,000.00 for the Chair and € 8,000.00 for each other member in all other committees. The Supervisory Board of HORNBAACH Management AG has currently not formed any committees.

The fixed annual basic remuneration and fixed committee remuneration are granted for each financial year and are each due for payment after the Annual General Meeting to which the annual financial statements for the respective financial year are presented. Remuneration is proportionately reduced on a pro rata temporis basis if a member of the Supervisory Board or a committee is not a member of such for the full financial year or does not chair the respective body for the full financial year.

HORNBAACH Management AG reimburses any sales tax incurred on the fixed annual basic remuneration and the fixed committee remuneration to the extent that Supervisory Board members are entitled to charge the company separately for sales tax and exercise this right.

Given that its structure conforms to market norms, the Supervisory Board remuneration makes it possible to attract suitable candidates for the position of Supervisory Board member. The Supervisory Board remuneration therefore helps to ensure that the Supervisory Board as a whole is able to perform its duties of supervising and advising the General Partner in an appropriate and competent manner and thus promotes the business strategy and long-term development of HORNBAACH Holding AG & Co. KGaA.

## **II. Remuneration of Supervisory Board members in 2023/24 financial year**

### **1. Supervisory Board members in 2023/24 financial year**

The following individuals were members of the Supervisory Board of HORNBAACH Management AG in the 2023/24 financial year:

- Dr. John Feldmann (Chair)
- Melanie Thomann-Bopp (Deputy Chair)
- Albert Hornbach
- Arnulf Hornbach
- Johann Hornbach
- Simone Krah
- Maria Olivier
- Vanessa Stütze
- Dr. Susanne Wulfsberg

## 2. Remuneration granted and owed to Supervisory Board members active in 2023/24 financial year

The table below presents the remuneration granted and owed to individual Supervisory Board members in the 2023/24 financial year. The concept "granted and owed" remuneration is based on the same definition as outlined above in Section 2. The remuneration reported in the table therefore presents the amounts actually received in the 2023/24 financial year:

	Fixed remuneration				Total		Remuneration from other Group mandates <sup>19</sup>	
	2023/24		2022/23		2023/24	2022/23	2023/24	2022/23
	in €	in %	in €	in %	in €	in €	in €	in €
<b>Dr. John Feldmann</b>	40,000	100	50,000	100	40,000	50,000	224,000	100,500
<b>Melanie Thomann-Bopp</b>	40,000	100	40,000	100	40,000	40,000	176,000	70,750
<b>Albert Hornbach</b>	40,000	100	20,000	100	40,000	20,000	0	0
<b>Arnulf Hornbach</b>	40,000	100	20,000	100	40,000	20,000	0	0
<b>Johann Hornbach</b>	40,000	100	20,000	100	40,000	20,000	0	0
<b>Simone Krah</b>	20,000	100	20,000	100	20,000	20,000	68,820	18,500
<b>Maria Olivier</b>	40,000	100	20,000	100	40,000	20,000	0	0
<b>Vanessa Stütze (since July 8, 2022)</b>	20,000	100	12,932	100	20,000	12,932	40,000	6,466
<b>Dr. Susanne Wulfsberg</b>	40,000	100	20,000	100	40,000	20,000	0	0

## III. Comparative presentation

The table below presents a comparison of the percentage change of the remuneration paid to Supervisory Board members with the earnings performance of HORNBAACH Holding AG & Co. KGaA and with average remuneration paid to employees on a full-time equivalent basis compared with the previous year.

The earnings performance is presented by reference to the relative change in the key figures of the annual net surplus at HORNBAACH Holding AG & Co. KGaA (annual financial statements) and the earnings before taxes (EBT) and sales of the HORNBAACH Holding AG & Co. KGaA Group.

The comparison with the development in average remuneration paid to employees has been based on the employees at HORNBAACH Holding AG & Co. KGaA, HORNBAACH Baumarkt AG, and HORNBAACH Baustoff Union GmbH on a full-time equivalent basis.

<sup>19</sup> The figure presented corresponds to the remuneration paid for mandates at Group companies of HORNBAACH Management AG (§ 162 (1) Sentence 1 AktG in conjunction with § 290 HGB) for periods in which the respective Supervisory Board member was simultaneously a member of the Supervisory Board of HORNBAACH Management AG.

Annual change in %	2023/2024 compared with 2022/23 <sup>20</sup>	2022/23 compared with 2021/22	2021/22 compared with 2020/21
<b>Supervisory Board remuneration<sup>21</sup></b>			
Dr. John Feldmann	75%	2%	5%
Melanie Thomann-Bopp	95%	28%	n/a
Albert Hornbach	100%	0%	0%
Arnulf Hornbach	100%	55%	n/a
Johann Hornbach	100%	55%	n/a
Simone Krah	131%	55%	n/a
Maria Olivier	100%	519%	n/a
Vanessa Stütze (since July 8, 2022)	209%	n/a	n/a
Dr. Susanne Wulfsberg	100%	-30%	-5%
<b>Earnings performance</b>			
Annual net surplus at KGaA	32.1%	-4.9%	4.3%
Earnings before taxes (EBT) <sup>22</sup> at Group	-17.9%	-30.5%	18.1%
Sales at Group	-1.6%	6.6%	7.7%
<b>Remuneration of employees</b>			
Employees of HORNBAACH Holding AG & Co. KGaA, HORNBAACH Baumarkt AG, and HORNBAACH Baustoff Union GmbH	3.0%	3.8%	1.0%

<sup>20</sup> Pursuant to the transitional requirement in § 26j (2) Sentence 2 EGAktG, through to the conclusion of the 2025/26 financial year, the comparative analysis should only include average remuneration in the period since the 2020/21 financial year, rather than the average remuneration in the past five financial years.

<sup>21</sup> "Granted and owed" remuneration as defined in § 162 (1) Sentence 1 AktG

<sup>22</sup> Consolidated earnings before taxes on income

## **C. Remuneration of members of Supervisory Board of HORNBAACH Holding AG & Co. KGaA**

### **I. Overview of remuneration**

The new version of § 113 (3) AktG resulting from ARUG II requires the annual general meeting of listed companies to adopt a resolution on the remuneration of supervisory board members at least once every four years. The Supervisory Board of HORNBAACH Holding AG & Co. KGaA and the General Partner of HORNBAACH Management AG last presented the remuneration of Supervisory Board members and at the same time the remuneration system for Supervisory Board members for approval by adoption of a resolution by the Annual General Meeting on July 7, 2023. The Annual General Meeting on July 7, 2023 confirmed the remuneration with 98.91% of the votes cast and adopted the remuneration system.

The remuneration of the Supervisory Board is governed by § 17 of the Articles of Association of HORNBAACH Holding AG & Co. KGaA in the version dated July 2023. The remuneration of Supervisory Board members comprises fixed annual basic remuneration. The fixed annual basic remuneration amounts to € 40,000.00 for each member of the Supervisory Board. The Chair receives twice this amount, namely € 80,000.00 and the Deputy Chair receives one-and-a-half times this amount, namely € 60,000.00. Furthermore, Supervisory Board members also sitting on a Supervisory Board committee receive fixed committee remuneration. Fixed committee remuneration amounts to € 36,000.00 for the Chair and € 18,000.00 for each other member in the Audit Committee. In all other committees, the fixed remuneration amounts to € 16,000.00 for the Chair and € 8,000.00 for each other member. The fixed annual basic remuneration and fixed committee remuneration are granted for each financial year and are each due for payment after the Annual General Meeting to which the annual financial statements for the respective financial year are presented. Remuneration is proportionately reduced on a pro rata temporis basis if a member of the Supervisory Board or a committee is not a member of such for the full financial year or does not chair the respective body for the full financial year.

HORNBAACH Holding AG & Co. KGaA reimburses any sales tax incurred on the fixed annual basic remuneration and the fixed committee remuneration to the extent that Supervisory Board members are entitled to charge the company separately for sales tax and exercise this right. Moreover, any employer contributions to social security required by foreign legislation for supervisory board activities are paid or reimbursed to the respective Supervisory Board member.

Furthermore, Supervisory Board members are included in a financial loss liability insurance policy maintained by HORNBAACH Holding AG & Co. KGaA at its own expense for its directors and officers.

Given that its structure conforms to market norms, the Supervisory Board remuneration makes it possible to attract suitable candidates for the position of Supervisory Board member. The Supervisory Board remuneration therefore helps to ensure that the Supervisory Board as a whole is able to perform its duties of supervising and advising the General Partner in an appropriate and competent manner and thus promotes the business strategy and long-term development of HORNBAACH Holding AG & Co. KGaA.

## **II. Remuneration of Supervisory Board members in 2023/24 financial year**

### **1. Supervisory Board members in 2023/24 financial year**

The following individuals were members of the Supervisory Board of HORNBAACH Holding AG & Co. KGaA in the 2023/24 financial year:

- Dr. John Feldmann (Chair)
- Martin Hornbach (Deputy Chair)
- Simone Krah
- Simona Scarpaleggia
- Vanessa Stütze
- Melanie Thomann-Bopp

## 2. Remuneration granted and owed to Supervisory Board members active in 2023/24 financial year

The table below presents the remuneration granted and owed to individual Supervisory Board members in the 2023/24 financial year. The concept "granted and owed" remuneration is based on the same definition as outlined above in Section 2. The remuneration reported in the table therefore presents the amounts actually received in the 2023/24 financial year.

	Fixed remuneration				Committee activity				Total		Remuneration from other Group mandates <sup>23</sup>	
	2023/24		2022/23		2023/24		2022/23		2023/24	2022/23	2023/24	2022/23
	in €	in %	in €	in %	in €	in %	in €	in %	in €	in €	in €	in €
<b>Dr. John Feldmann</b>	80,000	66	25,000	68	42,000	34	11,500	32	122,000	36,500	102,000	64,000
<b>Martin Hornbach</b>	60,000	72	40,000	82	23,202	28	9,000	18	83,202	49,000	62,197	35,000
<b>Simone Krah</b>	40,000	58	10,000	54	28,820	42	8,500	46	68,820	18,500	0	0
<b>Simona Scarpaleggia</b>	40,000	100	20,000	100	0	0	0	0	40,000	20,000	40,000	20,000
<b>Melanie Thomann-Bopp</b>	40,000	40	10,000	35	60,000	60	18,250	65	100,000	28,250	76,000	42,500
<b>Vanessa Stütze (since July 8, 2022)</b>	40,000	100	6,466	100	0	0	0	0	40,000	6,466	0	0

<sup>23</sup> The figure presented corresponds to the remuneration paid for mandates at Group companies of HORNBAACH Holding AG & Co. KGaA (§ 162 (1) Sentence 1 AktG in conjunction with § 290 HGB) for periods in which the respective Supervisory Board member was simultaneously a member of the Supervisory Board of HORNBAACH Holding AG & Co. KGaA. Pursuant to this definition, HORNBAACH Management AG is not a Group company of HORNBAACH Holding AG & Co. KGaA.

### III. Comparative presentation

The table below presents a comparison of the percentage change of the remuneration paid to Supervisory Board members with the earnings performance of HORNBAACH Holding AG & Co. KGaA and with average remuneration paid to employees on a full-time equivalent basis compared with the previous year.

The earnings performance is presented by reference to the relative change in the key figures of the annual net surplus at HORNBAACH Holding AG & Co. KGaA (separate financial statements) and the earnings before taxes (EBT) and sales of the HORNBAACH Holding AG & Co. KGaA Group.

The comparison with the development in average remuneration paid to employees has been based on the employees at HORNBAACH Holding AG & Co. KGaA, HORNBAACH Baumarkt AG, and HORNBAACH Baustoff Union GmbH on a full-time equivalent basis.

Annual change in %	2023/24 compared with 2022/23 <sup>24</sup>	2022/23 compared with 2021/22	2021/22 compared with 2020/21
<b>Supervisory Board remuneration<sup>25</sup></b>			
Dr. John Feldmann	123%	0%	0%
Martin Hornbach	73%	0%	0%
Simone Krahl	272%	-26%	-32%
Simona Scarpaleggia	100%	0%	3%
Vanessa Stütze (since July 8, 2022)	68%	n/a	n/a
Melanie Thomann-Bopp	149%	-11%	-15%
<b>Earnings performance</b>			
Annual net surplus at KGaA	32.1%	-4.9%	43%
Earnings before taxes (EBT) <sup>26</sup> at Group	-17.9%	-30.5%	18.1%
Sales at Group	-1.6%	6.6%	7.7%
<b>Remuneration of employees</b>			
Employees of HORNBAACH Holding AG & Co. KGaA, HORNBAACH Baumarkt AG, and HORNBAACH Baustoff Union GmbH	3.0%	3.8%	1.0%

Neustadt an der Weinstrasse, May 16, 2024

For the Supervisory Board:

For the General Partner:

Dr. John Feldmann

Supervisory Board Chair of  
HORNBAACH Holding AG & Co.  
KGaA

Albrecht Hornbach

Chief Executive Officer of  
HORNBAACH Management AG

Karin Dohm

Board of Management of  
HORNBAACH Management AG

Erich Harsch

Board of Management of  
HORNBAACH Management AG

<sup>24</sup> Pursuant to the transitional requirement in § 26j (2) Sentence 2 EGAktG, through to the conclusion of the 2025/26 financial year, the comparative analysis should only include average remuneration in the period since the 2020/21 financial year, rather than the average remuneration in the past five financial years.

<sup>25</sup> "Granted and owed" remuneration as defined in § 162 (1) Sentence 1 AktG

<sup>26</sup> Consolidated earnings before taxes on income

## REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE REMUNERATION REPORT IN ACCORDANCE WITH SECTION 162 (3) AKTG

To HORNBACH Holding AG & Co. KGaA, Neustadt an der Weinstraße/Germany

### Audit Opinion

We conducted a formal audit of the remuneration report of Hornbach Holding AG & Co. KGaA, Neustadt an der Weinstraße/Germany, for the financial year from 1 March 2023 to 29 February 2024 to assess whether the disclosures required under Section 162 (1) and (2) German Stock Corporation Act (AktG) have been made in the remuneration report. In accordance with Section 162 (3) AktG, we did not audit the content of the remuneration report.

In our opinion, the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the accompanying remuneration report. Our audit opinion does not cover the content of the remuneration report.

### Basis for the Audit Opinion

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG and in compliance with the IDW Auditing Standard: Audit of the Remuneration Report pursuant to Section 162 (3) AktG (IDW AuS 870 (09.2023)). Our responsibilities under those requirements and this standard are further described in the "Auditor's Responsibilities" section of our report. Our audit firm has applied the requirements of the IDW Quality Management Standards. We have fulfilled our professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Charter for German Public Auditors and German Sworn Auditors (BS WP/vBP) including the requirements on independence.

### Responsibilities of the Executive Directors and of the Supervisory Board

The executive directors and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they have determined necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

### Auditor's Responsibilities

Our objective is to obtain reasonable assurance about whether the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report, and to express an opinion on this in a report.

We planned and conducted our audit in such a way to be able to determine whether the remuneration report is formally complete by comparing the disclosures made in the remuneration report with the disclosures required under Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have neither audited the correctness of the content of the disclosures, nor the completeness of the content of the individual disclosures, nor the adequate presentation of the remuneration report.

### Handling of Possible Misrepresentations

In connection with our audit, our responsibility is to read the remuneration report taking into account our knowledge obtained in the financial statement audit while remaining attentive to any signs of misrepresentations in the remuneration report regarding the correctness of the content of the disclosures, the completeness of the content of individual disclosures or the adequate presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is such a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Mannheim/Germany, 16 May 2024

### Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:  
Steffen Schmidt  
Wirtschaftsprüfer  
(German Public Auditor)

Signed:  
Patrick Wendlandt  
Wirtschaftsprüfer  
(German Public Auditor)