

ISS: Cap on LTI: Variable compensation (both STI (200 percent) and LTI (500 percent) in aggregate) is capped at 700 percent of base salary, which can be considered excessive by market standards.

JOST Werke AG:

The supervisory board does not see grounds to qualify the scheme as excessive. It is important to point out that aggregate overall remuneration inflow, which includes all remuneration components together, is capped at 500% of the base salary and not 700%.

We would like to clarify the following:

The "total bonus" amounts to a maximum of two times (200%) of the annual fixed salary (cap) and serves as a calculation basis for STI and LTI which both are derived from the "total bonus" (STI = 45% of "total bonus"; LTI = 55% of "total bonus". This translates into a **STI cap** of 90% of the base salary and an **initial LTI cap** of 110% of the base salary.

The STI is due for payment within two weeks after adoption of the consolidated and audited annual financial statements of the JOST Werke Group for the fiscal year that ended. The LTI is virtually invested in stock of the Company (stock awards) at the end of the fiscal year in respect of which the "total bonus" is allocated (base year). The stock award (which is linked to the development of the share price) will be paid out after further four years.

As to the fact that the LTI will only be paid out upon expiration of the fourth fiscal year following the base year, the inflow (i.e. payment) stemming from any remuneration component in any fiscal year (i.e. base salary, STI, LTI) is limited to an amount 500% of the base salary as of 31 December of the immediately preceding fiscal year. Please note that such 500% cap is **not** an LTI cap but a cap for the **aggregate** remuneration inflow in such year (**overall inflow cap**). Assuming that in such year a maximum STI is paid (= 90% of base salary), this would translate – after deduction of the base salary – to a maximum LTI payment of 310% of the base salary.

The main purpose of an LTI payout linked to stock price development of the Company was to incentivize Executive Management to improve shareholder value. If the above mentioned cap of 310% would ever be achieved this would also translate into a significant enterprise value improvement with corresponding benefit for all shareholders.

In light of the interplay of the various limiting factors, the Supervisory Board deems the remuneration of the Executive Board to be appropriate.

ISS: Discretionary adjustments: The supervisory board may at its own discretion make negative or positive adjustments to variable compensation if it believes that the remuneration system does not properly reflect the company's performance, strategic objectives, or exceptional contributions by executives. No cap for such special bonuses was disclosed. Granting special bonuses should be viewed critically from a shareholder perspective as they make it difficult to assess the rigor of the remuneration system. Furthermore, remuneration policies should be designed in a way that sufficiently incentivizes executives and makes extraordinary payments obsolete.

JOST Werke AG:

The Supervisory Board agrees that discretionary adjustments should be the exception and not the rule. Since going public in 2017, there have been no discretionary payments to the Executive Management. However, the Supervisory Board considers it important for the performance of its duties to have enough flexibility to be able to react in a short-term to such extraordinary situations by making either negative or positive adjustments to the Executive Board's compensation.

Whereas the Supervisory Board shares the opinion that remuneration policies should be designed to sufficiently incentivize executives, it also believes that extraordinary circumstances which are beyond anyone's control may happen and can be difficult to anticipate, a clear example being the pandemic in the year 2020.

In addition, the Supervisory Board would like to emphasize that any adjusted remuneration is, of course, subject to all caps provided for in the system, i.e. the cap for the total bonus, the STI cap, the initial LTI cap, as well as the overall inflow cap.

Please be also assured that any such deviations or extraordinary developments will be presented and explained in the remuneration report in a comprehensible and transparent manner.