Remuneration system for the members of the Management Board

1. Corporate strategy and main features of the remuneration system

JOST is committed to a responsible and transparent corporate governance geared to a sustainable and long-term development of the Company and the achievement of lasting operational success and a continuous increase of its value. The objective of corporate governance is to establish a balance between the requirements of the economy, ecology and society with a view to sustainable growth. Achieving a sustainable balance is the core element of the Company's corporate strategy.

The remuneration system for the Management Board is therefore designed to promote the implementation of the corporate strategy in consideration of its duties and responsibilities. In its entirety and based on its individual elements, the remuneration system makes a significant contribution to promoting and implementing the corporate strategy by providing incentives for a sustainable and value-oriented development of the Company and by taking into account the interests of shareholders, customers, employees, business partners, the environment and society as stakeholders.

The remuneration system is structured in a clear and comprehensible manner. It is in line with the requirements of the German Stock Corporation Act (in the version of December 12, 2019) and, unless the Company declares any deviation, reflects the recommendations contained in the German Corporate Governance Code in the version of December 16, 2019 ("**GCGC**"). The remuneration systems ensures that the Supervisory Board is able to react to organizational changes and to respond flexibly to changed market conditions. To the extent permitted by law, the Supervisory Board wishes to offer the members of the Management Board remuneration that is both in line with the market and competitive, in order to be able to recruit and retain outstanding individuals for the Company also in the future.

The Supervisory Board determines the specific remuneration for each Management Board member on the basis of the remuneration system. In doing so, the Supervisory Board takes into account the following essential conditions:

- The remuneration of the Management Board members is to bear an appropriate relationship to their duties and performance.

- The remuneration of the Management Board members is not to exceed the customary level of remuneration without specific reasons. The remuneration is to take into account specifically the size, complexity and economic situation of the Company and the level of the remuneration of its employees.

- The portion of the variable remuneration related to the achievement of long-term targets is to exceed the portion from short-term targets with the aim of aligning the remuneration of the Management Board members specifically to the long-term development of the Company.

- The individual performance of a Management Board member is to be taken into account appropriately and success is to be rewarded. Failure to achieve targets is to result in an appropriate reduction in the variable remuneration. However, the remuneration structure is not to encourage Management Board members to take inappropriate risks.

2. Resolution of the Annual General Meeting, application and assessment of the remuneration system

The Supervisory Board develops and decides upon the remuneration system in compliance with the statutory provisions and by taking into account the recommendations and suggestions contained in the GCGC. In doing so, the Supervisory Board is supported by its executive and nomination committee. The measures provided for in the Supervisory Board's rules of procedure for preventing and dealing with conflicts of interest will be complied with.

The Supervisory Board assesses the appropriateness of the remuneration system by making an external comparison with the remuneration of management board members of comparable companies. For the purposes of the external comparison, the Supervisory Board makes in particular a sector comparison in order to assess the appropriateness and customary level of the remuneration. Accordingly, apart from the size of the Company and its geographical location, the peer companies are chosen based on the sector in which they operate. The Supervisory Board has deliberately refrained from adopting a fixed and static definition of a peer group, as the Supervisory Board is of the opinion that providing for such a link to a pre-defined peer group can lead to results that are inappropriate.

In assessing whether the remuneration is appropriate, the Supervisory Board also takes into account the circumstances within the Company. In view of the heterogeneity of the remuneration structure within the Company as a whole, the Supervisory Board refrains from making a formal internal comparison of the remuneration of the Management Board members with those of a fixed group of managers defined for this purpose, but does take into account the general remuneration practices within the Company.

If necessary, the Supervisory Board may call upon external consultants, taking care that they are independent from the Management Board and the Company when appointing them.

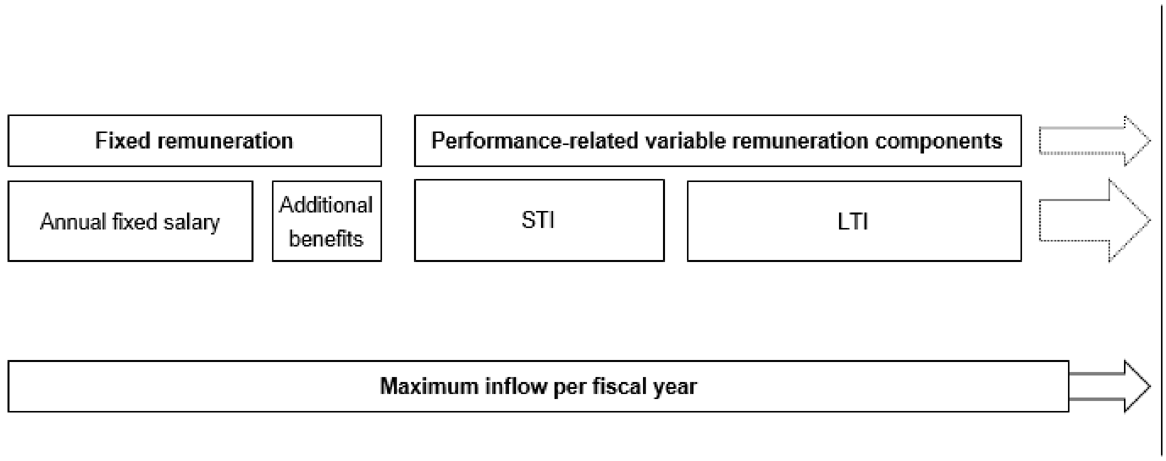
The remuneration system decided upon by the Supervisory Board on March 18, 2021 will be presented to the Annual General Meeting 2021 for approval.

The present remuneration system has been valid from the date of its adoption by the Supervisory Board and has since been applied to new appointments and renewals of service contracts. The remuneration system is in principle implemented as part of the service contracts of Management Board members.

The appropriateness of the remuneration components is reviewed by the Supervisory Board annually.

3. Remuneration components, target total remuneration and maximum remuneration

The total remuneration for each Management Board member consists of fixed, non-performance related and performance-related, variable components. The fixed remuneration comprises the annual fixed salary and additional benefits (fixed remuneration). The performance-related variable remuneration comprises a one-year component (Short Term Incentive, STI) and a component over several years (Long Term Incentive, LTI).



Fixed remuneration: annual fixed salary and additional benefits

Each Management Board member receives an annual fixed salary, payable in cash in twelve equal instalments at the end of each calendar month.

Further components of the fixed remuneration include additional benefits, such as the provision of a Company car, inclusion in an accident insurance and an allowance for health and nursing insurance. In addition, Management Board members have the opportunity to use, in addition to the annual fixed salary, an amount equal to 20% of the annual fixed salary in each full fiscal year for the purpose of an occupational pension by way of deferred remuneration.

Furthermore, the Company takes out and maintains appropriate D&O insurance to protect the Management Board members against risks arising from their professional activities for the Company within the meaning of section 93 para. 2 AktG.

Performance-related variable remuneration components; target total remuneration

The performance-related variable remuneration components comprise STI and LTI. The performance-related variable remuneration components depend on the achievement of financial and non-financial targets of the Company and its direct and indirect equity interests (collectively, the "JOST Group").

The amounts of STI and LTI result from the "total bonus" the amount of which depends on a financial component and a non-financial component and which is determined by the Supervisory Board for each fiscal year that has ended. With a view to a development of the Company that is sustainable, successful and in line with the interests of stakeholders and the aim of setting remuneration for the Management Board that is appropriate to the situation of the Company, the Supervisory Board agrees with each Management Board member on the relative proportions of financial and non-financial components in the service contract of the Management Board member as a result of which their relative proportion for setting the "total bonus" may vary. Accordingly, percentage ranges are provided for determining the level of the two components and the resulting proportion of the components.

The "total bonus" forms the basis for calculating STI and LTI and is determined as the sum of the financial and non-financial components as follows:

Financial component:	0.25% to 0.65% of the adjusted consolidated EBITDA of the JOST Group, depending on the achievement of the EBITDA target defined by the Supervisory prior to the start of each fiscal year (EBITDA Target);
Non-financial component:	0.03% to 0.28% of the adjusted consolidated EBITDA of the JOST Group, depending on the achievement of the targets defined by the Supervisory Board prior to the start of each fiscal year in the areas environment, social and governance (so called ESG Targets).

The proportion of the Financial component and the Non-financial component to each other ranges from 70-90% to 10-30%.

The target total remuneration corresponds to the sum of the fixed remuneration and the "total bonus" for the relevant fiscal year in the event of a 100% achievement of the EBITDA Target and the ESG Targets and is determined by the Supervisory Board prior to the start of each fiscal year. The amount of the "total bonus" in the event of a target achievement of 100% and the relative proportions of financial component and non-financial component are to be chosen in the service contracts of Management Board members such that during the term of the relevant contracts the remuneration components will – with reference to the target total remuneration – presumably as a rule remain within the following ranges:

- Fixed remuneration: 33% to 60%;
- STI: 20% to 30%;
- LTI: 25% to 40%.

The above will be based on an expenditure-related approach (*aufwandsbezogene Betrachtung*).

The target values to be used for determining the "total bonus" for each fiscal year will be established by the Supervisory Board for the Management Board prior to the start of the relevant fiscal year, following consultation of the Management Board and in consideration of the long-term plans of the Management Board and the overall economic situation of the Company as well as the market environment and in particular the strategic objectives of the Company (including its sustainability strategy).

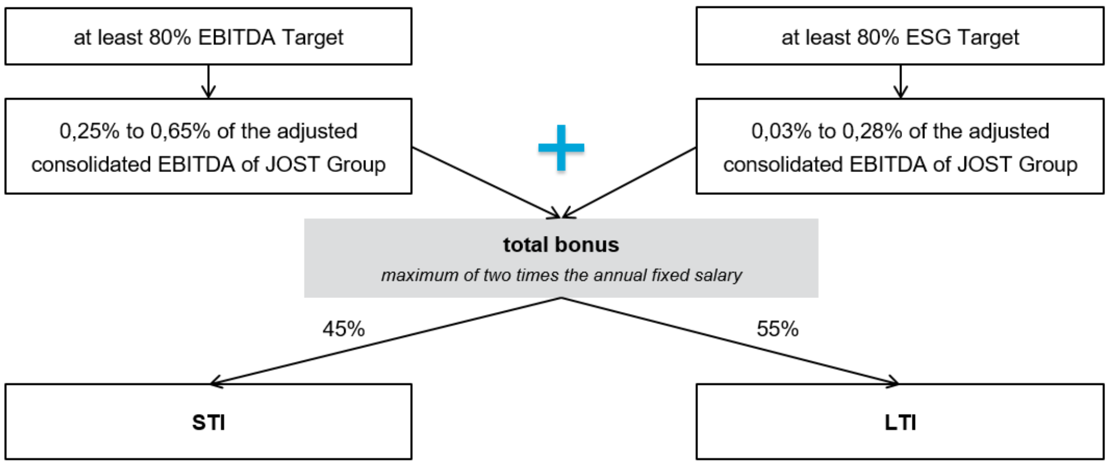
Prior to the start of each fiscal year a target value for the adjusted consolidated EBITDA of the JOST Group is determined by the Supervisory Board for the Management Board. This target value will be the EBITDA Target on the achievement of which the financial component of the "total remuneration" depends.

The ESG Targets from which the Supervisory Board may choose prior to the start of each fiscal year and on which the Non-financial component of the "total remuneration" depends include climate protection, circular economy, sustainable supply chains, good working conditions, product quality & customer satisfaction, good corporate governance and innovation & digitalization. From this catalog the Supervisory Board may choose and define up to three ESG Targets in more detail for the Management Board, which may include concrete requirements for CO2 emissions or recycling rates. The Supervisory Board is at liberty to focus on one ESG target; the Supervisory Board is further at liberty to define, prior to the start of a fiscal year, further ESG Targets from which it may choose.

Both the EBITDA Target and the ESG Targets are subject to a target achievement of 80% as a lower limit. If the degree of target achievement ascertained by the Supervisory Board in a given fiscal year is to less than 80% for both the EBITDA Target and the ESG Targets that have been chosen, there is no entitlement – whether in full or on a pro rata basis – to variable remuneration.

The "total bonus" amounts to a maximum of two times the annual fixed salary (cap).

The STI in an amount of 45% and the LTI in an amount of 55% are derived from the "total bonus". As provided for in G.6 GCGC, the LTI exceeds the STI proportion.



Short-term remuneration component (STI)

The STI amounts to 45% of the "total bonus" to be determined by the Supervisory Board for each fiscal year that has ended and is fully granted in cash.

After the end of the fiscal year, the Supervisory Board ascertains the actual STI target achievement by the Management Board. The STI is due for payment within two weeks after adoption of the consolidated and audited annual financial statements of the JOST Group for the fiscal year that has ended.

Long-term remuneration component (LTI)

The LTI amounts to 55% of the “total bonus” to be determined by the Supervisory Board for each fiscal year that has ended. The LTI represents the long-term success of the JOST Group reflected in the share price of the Company over a period of four years and is granted in cash.

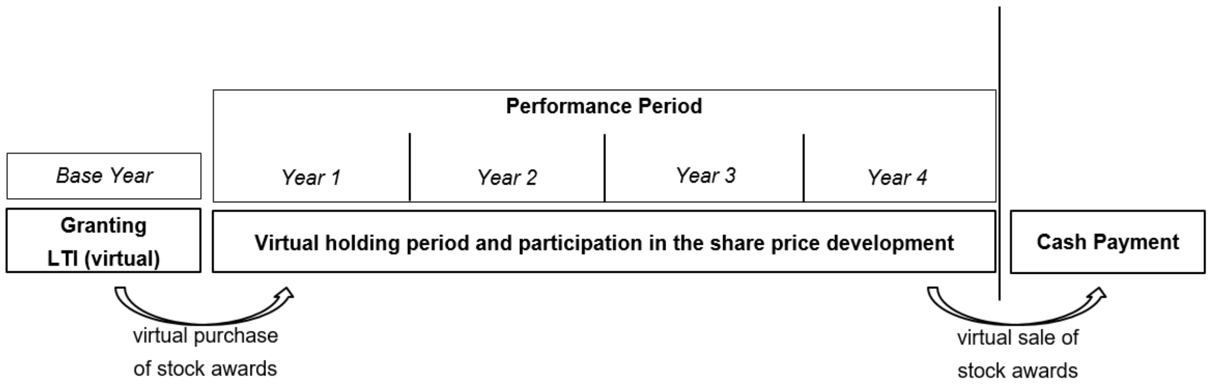
At the end of the fiscal year in respect of which the “total bonus” is allocated (base year), the LTI is virtually invested in stock of the Company (stock awards). The purchase price that is used for the stock awards is the volume-weighted average price of the share of the Company in XETRA trading at the Frankfurter Stock Exchange during the last 60 trading days of the base year.

After expiration of the four fiscal years following the base year, the stock awards will automatically be sold virtually. The price that is used for selling the stock awards is the volume-weighted average price of the share of the Company in XETRA trading at the Frankfurter Stock Exchange during the last 60 trading days of the fourth fiscal year following the base year.

The virtual sales proceeds resulting from this will be due for payment within two weeks after the adoption of the consolidated and audited annual financial statements of the JOST Group for the fourth fiscal year following the base year.

Any dividends distributed in the period between the virtual investment and the virtual sale of stock awards will be treated in each case as if re-investments in stock awards had been made at the price of the XETRA closing auction on the date of the distribution; the number of stock awards will increase accordingly.

Any distortions of the share price that are caused technically will be corrected when the amount actually due to be paid out is calculated. The Supervisory Board will make the corrections required in an individual case and, in doing so, will strive to establish equality with a real investor.



Maximum remuneration, inflow cap and adjustment option

The remuneration amounts expended in the aggregate for each Management Board member (fixed remuneration and variable remuneration components) in each fiscal year are limited as follows (maximum remuneration within the meaning of section 87 para no. 1 AktG):

- Chairman of the Management Board (CEO): EUR 2.5mio;
- Other members of the Management Board: EUR 1.7mio.

The above will be based on an expenditure-related approach (*aufwandsbezogene Betrachtung*).

If the remuneration for any fiscal year should exceed this upper limit, the variable remuneration components will be reduced accordingly.

In addition, in view of the fact that the LTI will only be paid out upon expiration of the fourth fiscal year following the base year, the remuneration of each Management Board member is limited, with respect to the inflow in any fiscal year, to an amount five times the annual fixed salary on 31 December of the immediately preceding fiscal year (inflow cap (*Zufluss-Cap*)). If the remuneration in any fiscal year should exceed this cap, the variable remuneration components to be received in such fiscal year will be reduced accordingly.

If the situation of the Company deteriorates to such an extent that the granting of the remuneration to a Management Board member in the amount originally set by the Supervisory Board would constitute an inequity for the Company within the meaning of section 87 para. 2 AktG, the Supervisory Board may temporarily deviate from the remuneration system and reduce the remuneration to an appropriate amount.

Furthermore, the Supervisory Board may, at its equitable discretion, make a positive or negative correction adjustment with respect to all variable remuneration components if it is of the opinion that the calculation of the respective variable remuneration component does not properly reflect the Company's performance, the achievement of its strategic objectives and/or the contribution to performance made by the Management Board member due to extraordinary developments. Generally unfavorable market developments are expressly not to be deemed to be extraordinary developments during any fiscal year. Any such deviations or extraordinary developments will be presented and explained in the remuneration report in a comprehensible and transparent manner.

Other provisions

If a Management Board member assumes supervisory board mandates, memberships on executive boards, managing director positions or similar positions in enterprises affiliated with the Company within the meaning of section 15 AktG or any activities in associations or honorary offices at the Company's request, any claims to remuneration will be deemed fully settled by payment of the annual fixed salary and/or any remuneration paid will be fully set off against the annual fixed salary.

If a Management Board member performs such tasks outside of enterprises affiliated with the Company within the meaning of section 15 AktG, the Supervisory Board decides, at the time when prior approval is given, whether and to what extent any remuneration paid is to be set off.

Arrangements in the case of contract commencement and contract termination during a fiscal year

If a service contract of a Management Board member commences or ends during a fiscal year, all remuneration components are granted on a *pro rata* basis with respect to the period of service completed in that fiscal year. Even if the Management Board service contract ends, the provisions on payment dates and calculations contained therein remain in force with respect to any remuneration components that are still outstanding at such time.

In deviation from the above, all stock awards (including any re-investments attributable to stock awards) are forfeited which have been granted, or would have been granted, for the last 12 months prior to the date on which the Management Board service contract effectively ends prematurely because

- the Management Board member has terminated the service contract or requested a premature cancellation in the absence of good cause for which the Company is responsible (section 626 of the German Civil Code (BGB)), or

- the Management Board service contract is terminated for good cause for which the Management Board member is responsible (section 626 of the German Civil Code (BGB)).

In the case of a termination during a fiscal year, any stock awards which have been allocated for the penultimate base year are forfeited on a *pro rata* basis to the extent that the Management Board service contract terminates prior to the end of that fiscal year. Any other cases of a premature termination of a Management Board service contract do not result in forfeiture. In the event of the death of a Management Board member, all stock awards become due immediately and are paid out within 30 days.

The Supervisory Board may provide in Management Board service contracts that in particular in the following cases variable remuneration components may be retained or reclaimed in full or in part:

- in the case of any willful or grossly negligent violation of statutory duties or any violation of internal guidelines of the Company (compliance claw-back);

- in cases where any variable remuneration components that are linked to the achievement of certain targets were improperly paid out on the basis of incorrect data (performance claw-back).

In the event of a premature termination of a service contract without good cause, payments, if any, to be made to a Management Board member including additional benefits are limited to a maximum of two annual remuneration amounts (severance cap) and may, in the aggregate, not exceed the remuneration payable for the remaining term of the Management Board service contract. The severance cap is to be calculated on the basis of the total remuneration of the previous fiscal year.

No commitments are made in the event of a premature termination of the services on the Management Board due to a change of control.
The Supervisory Board may conclude a post-contractual non-compete agreement with any Management Board member. In such a case the severance pay is to be set off against the compensation for non-competition.

Reporting

The Management Board and the Supervisory Board prepare a remuneration report each year in accordance with statutory provisions. In this report the Supervisory Board explains in a transparent and comprehensible manner which performance criteria were applied, how they were applied, and how the respective amount of the variable remuneration components is calculated.