



Remuneration Policy

for the members of the Executive Board and the members of the Supervisory Board of AGRANA Beteiligungs-AG

1. Introduction

In accordance with § 78a of the Austrian Stock Corporation Act, the Supervisory Board of a listed company must define principles for the remuneration of the members of the Executive Board (remuneration policy); in accordance with § 98a, the remuneration policy must also be defined with regard to the remuneration of the members of the Supervisory Board. The present document explains the remuneration policy for the Executive Board and the Supervisory Board of AGRANA Beteiligungs-AG ("AGRANA") and is hereinafter referred to as the "Remuneration Policy". The Remuneration Policy was drawn up by the Supervisory Board of AGRANA under its sole responsibility for decisions on the remuneration of the Executive Board and Supervisory Board in accordance with the Austrian Stock Corporation Act (AktG). This Remuneration Policy sets out the principles applicable when determining the remuneration of the Executive Board, the structure of the remuneration, and its components (fixed and variable elements). Furthermore, it defines any non-financial benefits that may be granted to members of the Executive Board.

The Remuneration Policy shall be subject to a non-binding vote by the shareholders at the 33rd Annual General Meeting of AGRANA Beteiligungs-AG on July 03, 2020, in accordance with the provisions of the Austrian Stock Corporation Act. It shall apply from the date of its adoption until the 37th Annual General Meeting in 2024, unless the Supervisory Board requests approval for a revised or amended Policy at an earlier date.

The Remuneration Policy provides a framework for the Supervisory Board and its Remuneration Committee in determining the remuneration of its members. With regard to the remuneration of the members of the Supervisory Board, each resolution adopted by the Annual General Meeting of the Company on a specific proposal is legally binding, as provided for in the Austrian Stock Corporation Act.

This document on the Remuneration Policy shall be made available to AGRANA's shareholders no later than from the 21st day before the 33rd Annual General Meeting (2020) of AGRANA on the Company's website (www.agrana.com).



2. Preparation of the Remuneration Policy of AGRANA Beteiligungs-AG

In drawing up this Remuneration Policy, the Supervisory Board was guided by the principle of a transparent and comprehensible system that provides incentives for sustainable value creation and achievement of key corporate objectives. The aim was to present a framework that is appropriate in national and international comparison and takes into account the Group's strategy, which is presented in the Annual Report and on the website of AGRANA. The Supervisory Board adopted this Remuneration Policy at its meeting on May 04, 2020.

3. Remuneration Policy for the Executive Board of AGRANA Beteiligungs-AG

3.1 Principles of the Remuneration Policy

The following principles underly the remuneration for the members of the Company's Executive Board:

- Remuneration should promote consistency between the conduct and performance of the members of the Executive Board and the interests and expectations of the Company's stakeholders, in particular its shareholders and investors.
- Remuneration should be consistent with and support the short and long-term strategic objectives of the Company and the Group.
- Remuneration should reflect the scope of responsibility and performance of each member of the Executive Board.
- The ratio of the various remuneration components should be balanced accordingly.
- Remuneration should be in line with the standard of comparable companies.
- The remuneration system should be transparent and easy to understand.
- The remuneration should be suitable for attracting, motivating and retaining members of the Executive Board who have the experience and expertise that makes the Company competitive.
- Remuneration should conform to recognized national and international standards of good corporate management, including the provisions of the Austrian Stock Corporation Act and the rules of the Austrian Corporate Governance Code.
- The member of the Executive Board of AGRANA Beteiligungs-AG nominated on the basis of the syndicate agreement between Südzucker AG, Mannheim/Germany, and Zucker-Beteiligungsgesellschaft m.b.H., Vienna, does not receive any remuneration for exercising this function.



3.2 Remuneration components of the members of the Executive Board

3.2.1 Fixed remuneration

Each member of the Company's Executive Board is entitled to a fixed annual remuneration. In accordance with the principles set out in item 3 above, the fixed remuneration component is based on the scope of activities and responsibilities of each individual member of the Executive Board in line with the existing allocation of duties. As a result, the individual members of the Executive Board are entitled to distinct remunerations depending on their strategic and operational responsibilities. In line with common practice in Austria, the fixed remuneration is divided into fourteen installments and paid at the end of each month. The fixed remuneration can be adjusted to inflation and other changing circumstances during the term of the contract.

The fixed remuneration component for members of the Executive Board who may join the Company after the adoption of this Remuneration Policy shall be determined within the limits defined by the fixed remuneration for the Chairperson of the Executive Board. These amounts can be considered relevant and in accordance with the above-mentioned principles of the Company and the responsibilities of the members of the Executive Board. Comparison with other companies in comparable sectors is intended to ensure that the remuneration is in line with the market situation.

3.2.2 Variable remuneration

The variable remuneration component is aimed at creating an appropriate incentive system to achieve the strategic goal of a sustainable increase in the value of the Company in line with the interests of shareholders. The focus is thus on ensuring optimal congruence between the interests and expectations of shareholders and stakeholders on the one hand and the remuneration of the Executive Board on the other. The amount of the distributed dividend is chosen as the assessment basis. To ensure that a long-term component is included, the average of the last three years is used to calculate the variable component. For each fixed amount of dividends distributed on average over the last three years, the variable remuneration component amounts to a certain percentage of the basic salary of the respective member of the Executive Board in the past business year. Therefore, the relative portion of the variable remuneration may account for more than 50% of the annual remuneration package.

In the opinion of the Supervisory Board, this structure allows reconciliation of interests between the Executive Board and shareholders in the long run. The remuneration model developed by the Supervisory Board ensures a high degree of transparency,



since the reference value of the variable remuneration component is a multi-year key figure determined by resolution of the shareholders.

The amount of the variable component is calculated at the end of that month of the following year in which the annual financial statements of the Company are approved. The variable remuneration is settled and paid either in full immediately thereafter or in December as a special payment amounting to one-seventh of the calculated performance-related remuneration. The remaining amount of the performance-related remuneration is paid out in equal monthly installments as a regular payment.

The Supervisory Board shall annually review the definition of the target figure. It reserves the right to adjust it differently for each member of the Executive Board in the light of the respective strategic requirements and taking into account the special responsibilities of each member of the Executive Board according to the allocation of duties. The Supervisory Board expressly reserves the right to deviate from the agreed target parameters in situations that entail or may entail a material adverse change in the course of business, operations, assets or business prospects of the Company. This includes, in particular, general economic crises that affect more than just a specific market region of AGRANA and are likely to lead to a significant deterioration in profitability.

3.2.3 Other remuneration components and agreements provided for in the management contracts

The members of the Executive Board have concluded management contracts with the company. Accordingly, members of the Executive Board are appointed for a maximum period of five years, as stipulated in the Austrian Stock Corporation Act. The employment contracts of the members of the Executive Board can be terminated with immediate effect for good cause; this includes, among other things, continued incapacity of a member of the Executive Board to act, or other reasons for termination provided for under Austrian law. The management contracts of members of the Executive Board cannot be terminated unilaterally and without cause. In the event of termination of the employment contract, the payments owed to the member of the Executive Board comprise the portion of the fixed remuneration due for the period until the actual termination of the employment contract and the variable components listed under 4.2.

In 2019/20, no hiring bonuses, loyalty bonuses, severance payments or remunerations for a change of location were paid. However, the Supervisory Board reserves the right to make such payments to members of the Executive Board in the future in exceptional cases and to a reasonable extent. The management contracts comprise the usual non-



competition clauses, which apply for the duration of the employment and for one year after termination or expiry of the contract.

3.2.4 Pension arrangements

For the Executive Board, the company pension scheme includes retirement benefits, an occupational disability pension and a widows' and orphans' pension. For members of the Board of Management appointed for the first time before January 01, 2010, a retirement benefit is deemed agreed which is calculated as a percentage of a contractually agreed assessment basis and payable when the eligibility criteria for the retirement pension under the ASVG (Austrian Social Security Act) are met. The pension entitlement is reduced in case of retirement before entitlement to a retirement pension in accordance with the ASVG. A contribution-based pension commitment exists for the other members of the Executive Board, which can be claimed after reaching the age of 55, provided that the employment relationship with the employer has been terminated. The Company has no early-retirement arrangements for the members of the Executive Board.

3.2.5 Company car

For the duration of the Executive Board mandate, the company provides the member of the Executive Board with a company car and driver. The company car can also be used privately.

3.2.6 Insurance benefits

A D&O insurance policy (managers' liability insurance) has been taken out for the members of the Executive Board. There is no deductible for the insurees. The Company bears the costs.

In addition, the Company has taken out an accident insurance and occupational disability insurance for the members of the Executive Board.

AGRANA has taken out legal expenses insurance to the usual extent for the benefit of the members of the Executive Board.



3.2.7 Severance payment claims

In the event of the termination of an Executive Board function, members of the Executive Board appointed for the first time prior to January 02, 2009, are contractually entitled to severance payments in accordance with the provisions of the Austrian Salaried Employees Act (*Angestelltengesetz*) less any severance payment claims under the BMSVG (Federal Act on Corporate Staff and Self-Employment Provision). In accordance with Austrian law, the severance payment entitlement under the Austrian Salaried Employees Act is calculated based on total remuneration and length of service with the Company. Accordingly, the severance payment corresponds at most to the amount of remuneration for one year (including fixed salary and all variable remuneration components on an average basis).

For members of the Executive Board appointed for the first time after December 31, 2007, the Company is required by Austrian law to pay 1.53% of the monthly gross remuneration of each member of the Executive Board into a company employee pension fund in accordance with the provisions of the BMSVG. Upon termination or expiry of the contract, the members of the Executive Board can demand payment of the accrued contributions (including investment income) from the pension fund.

3.2.8 Reimbursement of cash expenses and travel costs

All members of the Executive Board are entitled to reimbursement of business travel expenses. Other reasonable expenses incurred by the members of the Executive Board in the performance of their duties shall be reimbursed upon presentation of the relevant receipts.

3.2.9 Holiday entitlement

All members of the Executive Board are entitled to 25 or 30 days' paid vacation per year in accordance with Austrian law.

3.2.10 Sideline activities for supervisory board mandates or comparable mandates at listed companies

These are published in the Company's annual report and on the AGRANA website. No remuneration is payable for mandates in Group companies.



4. Remuneration Policy for the Supervisory Board of AGRANA Beteiligungs-AG

4.1. Introduction

The Remuneration Policy for the Supervisory Board shall ensure that the members of the Supervisory Board are remunerated for their activities in a manner consistent with their duties, their responsibilities, and the situation of the Company. Its purpose is to promote AGRANA's business strategy and long-term development while at the same time ensuring the objectivity and independence of the Supervisory Board. Supervisory Board remuneration must be in line with market conditions and sufficiently attractive to attract suitably qualified persons to work for an internationally active listed company.

4.2 Principles of the Remuneration Policy for AGRANA's Supervisory Board

The remuneration paid to AGRANA's Supervisory Board is intended to ensure that:

- members of the Supervisory Board remain independent;
- each member of the Supervisory Board, as well as the Supervisory Board as a whole, acts comprehensively in the interest of AGRANA's stakeholders;
- members of the Supervisory Board make an active contribution to the development of the Group;
- the remuneration conforms to recognized national and international standards of good corporate governance, in particular the provisions of the Austrian Stock Corporation Act and the Austrian Corporate Governance Code.

4.3 Remuneration components

The remuneration shall be decided on by the Annual General Meeting. If the members of the Supervisory Board did not belong to the body for the entire business year, remuneration is to be paid on a pro rata basis. The total annual remuneration is paid in full after the respective Annual General Meeting.

If the Annual General Meeting resolves on the annual remuneration as a total for all members of the Supervisory Board, it may authorize the Supervisory Board to distribute the total among its members and to determine the respective amount in particular according to functions (e.g. chair, vice-chair, membership of committees).



Attendance fees may also be granted. The Company does not pay a performance-related remuneration.

4.4 D&O insurance

The members of the Supervisory Board are covered by the D&O insurance taken out for the members of the Executive Board of AGRANA.

5. Remarks on the Remuneration Policy

a. Consideration of the employees' perspective

In determining the remuneration of members of the Executive Board, the Supervisory Board shall take into account the remuneration regulations of other employees, including the top management, to ensure that the remuneration regulations for Executive Board members are consistent and comprehensible in a Group-wide context.

b. Review and amendment of the Remuneration Policy

The Supervisory Board regularly reviews this Remuneration Policy, taking into account, among other things, personnel changes in the corporate environment, the economic situation and the strategy of the Company, as well as changes and trends in international and national standards of corporate governance. Following such review, it may make a change to the Remuneration Policy, which shall be presented to the shareholders of the Company for non-binding decision at the Annual General Meeting immediately following its adoption. Minor changes to the Remuneration Policy may be made by the Supervisory Board without the prior approval of the shareholders if these changes are necessary for regulatory, foreign exchange-related, fiscal or administrative purposes, or to take account of a change in the law.