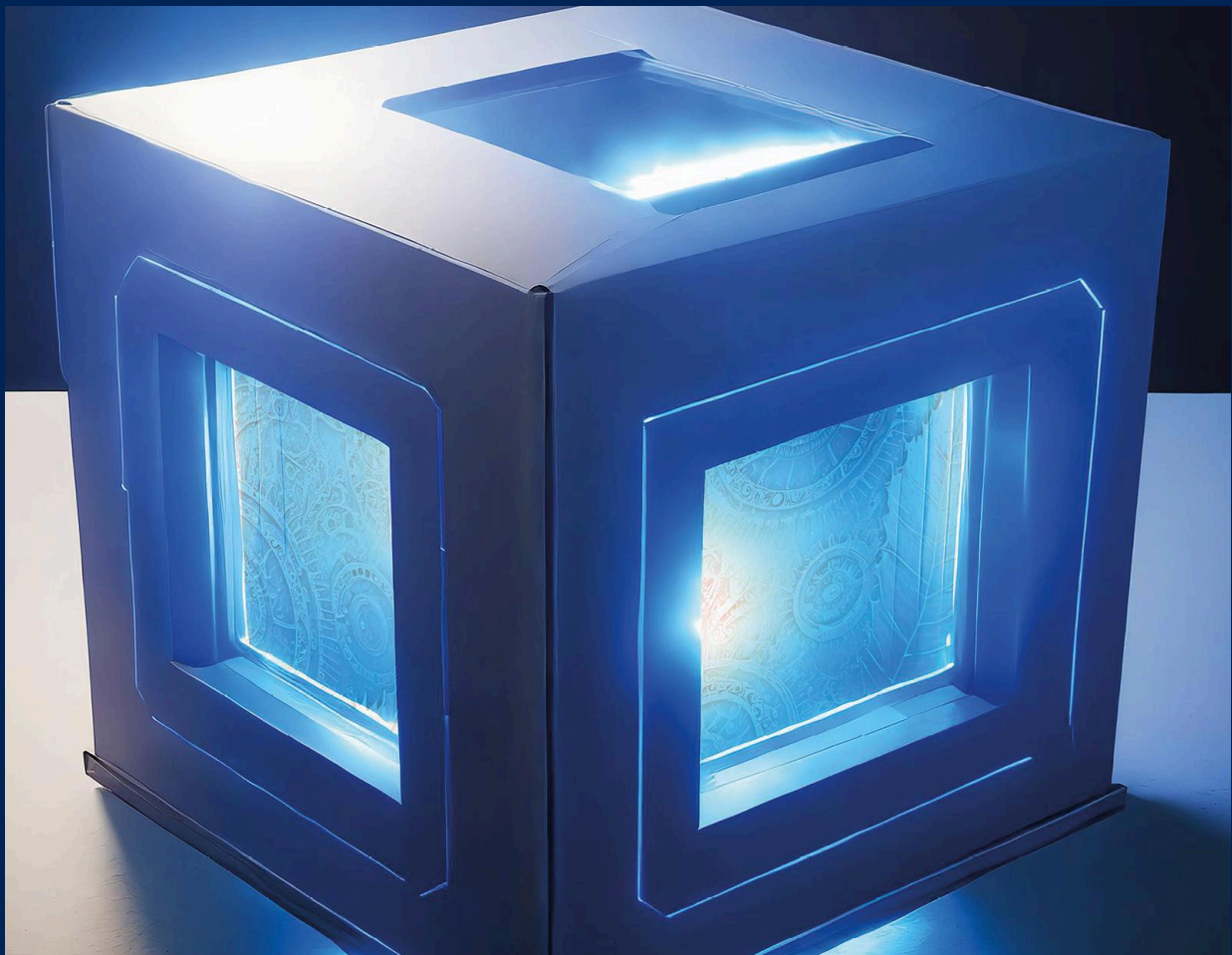


KOENIG & BAUER

Annual General Meeting 2024

Description of the revised remuneration system for Management Board members

* Please note that this version of the revised remuneration system prepared for the convenience of English-speaking readers is a translation of the German original. For purposes of interpretation, the German text shall be authoritative and final.



we're on it.

Information on agenda item 9:

Remuneration system for the members of the Management Board

1. Introduction

The previous remuneration system for the members of the Koenig & Bauer AG's Management Board (2021 remuneration system) was submitted to the Annual General Meeting and approved with 69.5% of the votes. It has been in effect since then.

In 2023, the Supervisory Board took investor feedback as an opportunity to conduct a comprehensive review of remuneration system for the members of Koenig & Bauer AG's Management Board with the support of an independent corporate governance consultant. The remuneration system for the members of the Koenig & Bauer AG's Management Board was revised and enhanced on the basis of this review and approved by the Supervisory Board at its meeting of 20 March 2024 and will be submitted to the Annual General Meeting on 26 June 2024 for approval (2024 remuneration system).

Subject to approval at the Annual General Meeting, the 2024 remuneration system is to enter into force retroactively for all current and future members of the Management Board from 1 January 2024.

The 2024 remuneration system complies with the regulatory requirements of the German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code (the "Code") as amended on 28 April 2022 and is explained in detail below.

2. Further development of the remuneration system

At the last vote at the Annual General Meeting, some investors expressed concerns about the remuneration system for the members of Koenig & Bauer AG's Management Board. The main criticisms related to:

- the absence of performance targets for long-term variable remuneration (long-term incentive, LTI),
- the absence of a cap on the amount paid under the LTI;
- the possibility of granting special benefits including special bonus for future extraordinary performance or success on the part of the members of the Management Board,
- the absence of any obligation to buy and hold shares in the company and

- insufficient transparency in the description of the remuneration system.

In the light of this criticism, the Supervisory Board reviewed the 2021 remuneration system and identified potential improvements in order to take greater account of the company's long-term and sustainable development. The main changes to the remuneration system are presented in the following table:

Remuneration System 2021			Remuneration System 2024	
Fixed remuneration and fringe benefits			Fixed remuneration and fringe benefits	
Defined contribution scheme		Introduction of a pension substitute →	Defined contribution scheme/ pension substitute (for new appointments)	
Short-Term Incentive (Target Bonus)	<ul style="list-style-type: none"> ○ 50% Group EBIT margin ○ 50% individual targets <ul style="list-style-type: none"> ○ Operating, strategic, ESG 	Adjustment of performance targets →	<ul style="list-style-type: none"> ○ 75% financial targets <ul style="list-style-type: none"> ○ 50% EBIT or EBIT margin ○ 25% Net Working Capital ○ 25% non-financial targets <ul style="list-style-type: none"> ○ ESG and strategic 	Short-Term Incentive (Target Bonus)
Long-Term Incentive (Restricted Stock Plan)	<ul style="list-style-type: none"> ○ Lock-up period: 4 years ○ No performance targets ○ Grant cap: 200% of the base amount ○ No payout cap 	New plan type → Introduction of performance targets →	<ul style="list-style-type: none"> ○ Performance period: 4 years ○ Performance targets: <ul style="list-style-type: none"> ○ 37.5% EPS ○ 37.5% Net financial position ○ 25% ESG ○ Target achievement cap: 200% ○ Payout cap: 250% 	Long-Term Incentive (Performance Share Plan)
Further elements	<ul style="list-style-type: none"> ○ Special remuneration 	Abolition of special remuneration → Introduction of Share Ownership Guidelines →	<ul style="list-style-type: none"> ○ Share Ownership Guidelines 	Further elements

Closer pay-for-performance alignment

The previous long-term incentive (LTI) was structured as a restricted stock plan and not aligned to the achievement of long-term performance targets. It has now been replaced by a new, extensively revised plan. The restructured long-term incentive as a performance share plan strengthens the link between long-term variable remuneration and the company's ongoing performance. This change also addresses the criticism expressed by investors of the previous restricted stock plan. Under the new performance share plan, allocation solely takes the form of virtual performances shares, which are fully aligned to the achievement of financial performance targets (75% weighting) and ESG targets (25% weighting).

In connection with the annual bonus, greater emphasis is placed on Koenig & Bauer AG's financial performance, which is measured with an overall weighting of 75% on the basis of EBIT/EBIT margin and net working capital. In addition, non-financial performance targets, including strategy and ESG targets, are included with a weighting of 25%.

Furtherance of Koenig & Bauer AG's sustainability strategy

With the inclusion of ESG targets in both the annual bonus and the long-term incentive, the 2024 remuneration system provides important incentives for the implementation of Koenig & Bauer AG's sustainability strategy. The Supervisory Board has the option of selecting relevant ESG targets annually on the basis of a predefined list of criteria, taking into account current priorities within the scope of Koenig & Bauer AG's business strategy. The list of criteria was derived from Koenig & Bauer AG's sustainability strategy and includes, for example, the reduction of the company's ecological footprint, greater responsibility for employees and customers and the promotion of compliance as possible goals.

Greater share orientation

In order to strengthen the share culture and to reconcile the interests of the members of Koenig & Bauer AG's Management Board with those of investors, share ownership guidelines will be introduced under the 2024 remuneration system. Under these share ownership guidelines, the members of the Management Board are required to acquire shares in Koenig & Bauer AG in an amount equalling 100% of their fixed annual salary and to hold them for the duration of their service contract. In addition, Koenig & Bauer AG's share price is factored into the long-term incentive, thus also contributing to a greater share orientation in Management Board remuneration.

Caps on Management Board remuneration

In addition to the determination of maximum remuneration in accordance with Section 87a (1) of the German Stock Corporation Act, which limits the payment of remuneration accruing in a given year, a payment cap has been included for the new long-term incentive. This limits the payments under the long-term incentive to 250% of the target amount.

Abolition of non-performance-tied remuneration

As well as this, the option of granting non-performance-tied special remuneration has been abolished in the revised remuneration system. In addition to strengthening the pay-for-performance alignment, this amendment also heightens the transparency of Management Board remuneration.

3. Underlying principles of the remuneration system

The following principles in particular are considered in the remuneration system for members of Koenig & Bauer AG's Management Board:

Principles of Management Board remuneration

- ✓ Strengthening the **pay-for-performance alignment** through performance- and success-based remuneration linked to the achievement of ambitious performance targets
- ✓ Orientation of variable remuneration elements and performance targets towards **sustainable and long-term corporate development**
- ✓ **Sustainability as an important component of the performance criteria** for both **short-term variable remuneration** and **long-term variable remuneration**
- ✓ Ensuring an **appropriate balance** between the **total remuneration of the Management Board** and the **situation of the Company** on the one hand, as well as the **customary remuneration of comparable companies** on the other hand
- ✓ Consideration of the **remuneration and employment conditions** of the workforce
- ✓ Providing an **attractive remuneration package** to attract and retain the best candidates for management positions in the Koenig & Bauer Group

4. The remuneration system at a glance

The remuneration system for the members of Koenig & Bauer AG's Management Board consists of fixed and variable remuneration elements, the aggregate of which constitutes the total remuneration for the members of the Management Board. In addition, it includes other contractual components such as malus and clawback arrangements, share ownership and a remuneration cap in accordance with Section 87a (1) Sentence 2 No.1 of the German Stock Corporation Act. The following table provides an overview of the remuneration system for the members of Koenig & Bauer AG's Management Board:

Fixed remuneration elements	
Fixed remuneration	<ul style="list-style-type: none"> o Fixed annual salary, paid in 12 equal monthly installments
Fringe benefits	<ul style="list-style-type: none"> o Customary fringe benefits, such as insurance and company car, among others
Pension entitlement /substitute	<ul style="list-style-type: none"> o Pension substitute for Management Board members appointed as of January 1, 2024
Variable remuneration elements	
Short-Term Incentive	<ul style="list-style-type: none"> o Plan type: Target Bonus o Performance targets: <ul style="list-style-type: none"> o 75% financial targets <ul style="list-style-type: none"> o 50% EBIT or EBIT margin o 25% Net Working Capital o 25% non-financial targets (ESG and strategic) o Cap: 150% of the target amount
Long-Term Incentive	<ul style="list-style-type: none"> o Plan type: Performance Share Plan o Performance period: Four years o Performance targets: <ul style="list-style-type: none"> o 75% financial targets <ul style="list-style-type: none"> o 37.5% EPS o 37.5% Net financial position o 25% ESG o Target achievement cap: 200% o Payout cap: 250% of the target amount
Further contractual components	
Share Ownership Guidelines	<ul style="list-style-type: none"> o Obligation to purchase and hold shares of Koenig & Bauer AG o 100% of the fixed annual salary
Malus & Clawback	<ul style="list-style-type: none"> o Compliance-Malus and -Clawback o Restatement-Clawback
Maximum remuneration	<ul style="list-style-type: none"> o EUR 2.8 million for the CEO o EUR 2.1 million for ordinary Management Board members
Severance cap	<ul style="list-style-type: none"> o Limited to two years' remuneration including fringe benefits, at maximum for the remaining term of the contract

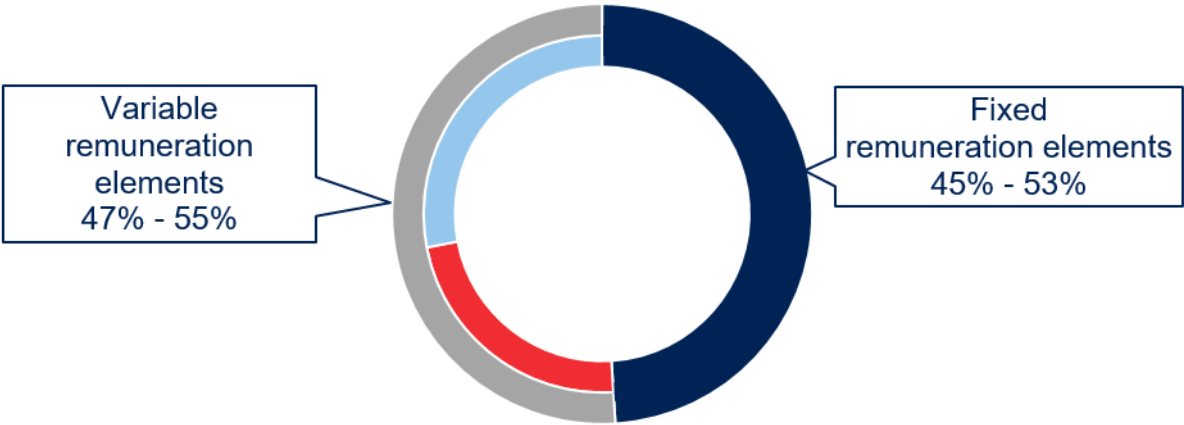
The remuneration structure, i.e. the relative weighting of the individual fixed and variable remuneration elements in the total remuneration of the members of the Management Board, reflects both the pay-for-performance concept and the alignment of the Management Board remuneration to Koenig & Bauer's sustainable and long-term development.

The total target remuneration of the members of Koenig & Bauer AG's Management Board equals the sum total of the fixed and variable remuneration elements. The variable remuneration elements are taken into account at their annual target amounts, i.e. the amount payable for 100% target achievement.

In order to ensure that the remuneration of Koenig & Bauer AG's Management Board reflects the pay-for-performance concept, it is based on performance and success. Whereas the fixed remuneration elements (fixed remuneration and pension commitment/benefits, excluding fringe benefits) account for 45% to 53% of the total target remuneration excluding fringe benefits, the variable remuneration elements (annual bonus and the long-term incentive) constitute 47% to 55%.

In addition, the long-term incentive has a greater weighting of 54% to 57% than the annual bonus, which accounts for 43% to 46% of the variable remuneration elements, in order to generate the incentive required under Section 87 (1) Sentence 2 of the German Stock Corporation Act to further the company's sustainable and long-term development. Thus, the remuneration based on the achievement of long-term targets clearly exceeds the remuneration based on short-term targets, without neglecting the latter. In their entirety, the variable remuneration elements provide a material basis for Koenig & Bauer AG's success and long-term development.

General remuneration structure



- Short-Term Incentive: 43% - 46% of variable remuneration elements
- Long-Term Incentive: 54% - 57% of variable remuneration elements

Fringe benefits constitute a further remuneration component. The cost of the fringe benefits is inherently subject to annual fluctuations. As a rule, they should not exceed 10% of the fixed remuneration and are disclosed in the annual remuneration report.

5. The remuneration system in detail

a. Fixed remuneration elements

Fixed remuneration

Each member of the Management Board receives a fixed annual remuneration (fixed annual salary), which is paid in 12 equal monthly instalments at the end of each month. Payment of a fixed basic salary furthers the autonomous, risk-oriented and independent management of the company. The amount of the fixed annual salary is based on the duties assigned to the

individual member of the Management Board and is determined separately in his or her service contract.

Fringe benefits

The company provides the members of the Management Board with fringe benefits, which may be taxed as a non-cash pecuniary benefit. Fringe benefits mainly comprise:

- the provision of a company car, which may be also used for private purposes, including vehicle car and maintenance;
- contributions for voluntary pension insurance as well as health, nursing and accident insurance (including disability and death insurance);
- the costs of an annual medical examination;
- rental allowances/one-time relocation allowances;
- the cost of a private telephone connection;
- expenses and the reimbursement of costs (such as travel expenses, including trips to the home address).

In addition, the Supervisory Board reserves the right, in exceptional cases, to grant compensation to new members of the Management Board to offset a loss of remuneration under a previous employment or service contract (for example, long-term variable remuneration commitments) if they lose such entitlement by joining Koenig & Bauer AG. The scope for granting such compensation payments ensures the necessary flexibility in selecting and gaining the best possible candidates. If such compensation payments are granted, they are disclosed and explained separately in the remuneration report.

Moreover, the members of the Management Board are also included in Koenig & Bauer AG's financial liability insurance (D&O insurance) and criminal liability insurance. The agreed deductible equals the minimum deductible in accordance with Section 96 (2) Sentence 3 of the German Stock Corporation Act.

Pension commitment/contributions

Pension commitment

Members of the Management Board appointed on or after 1 January 2024 receive a fixed monetary contribution toward their own private pension-saving schemes (pension payment). Members of the Management Board who are reappointed on or after 1 January 2024 have a once-only option to switch from the defined contribution scheme in favour of receipt of a pension contribution payment.

Defined contribution commitment

The company provides the members of the Management Board who were appointed before 1 January 2024 with a pension scheme under which contributions are paid annually into a policy held with insurance company ALTE LEIPZIGER Lebensversicherung a.G. during the term of their service contract (defined contribution pension commitment).

b. Variable remuneration elements

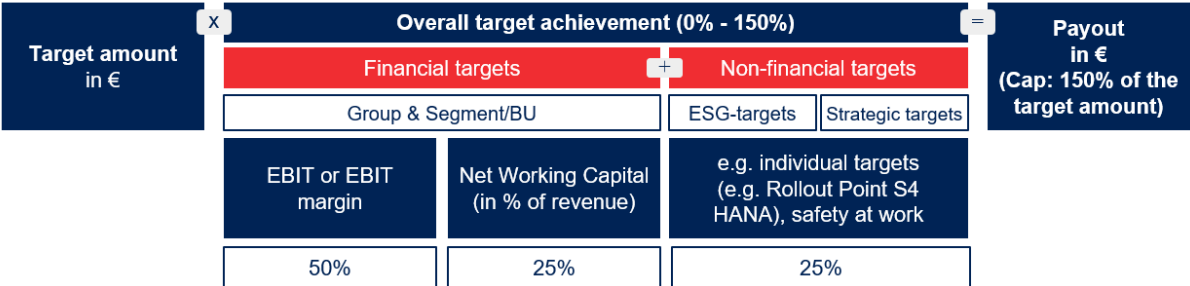
The variable remuneration paid to the members of the Management Board consists of short-term and long-term variable remuneration. The short-term variable remuneration is structured as a target bonus with a term of one year (annual bonus) and the long-term variable remuneration as a performance share plan with a term of four years (long-term incentive, LTI).

Annual bonus

Basic structure

Payment of the annual bonus is tied to performance in the applicable year, as measured by financial and non-financial performance targets. Koenig & Bauer AG’s Supervisory Board determines the specific performance targets before the commencement of the year in question. The target amount is subject to individual agreement with each member of the Management Board. Depending on the achievement of the performance targets set for a financial year, overall target achievement can be between 0% and 150%. Payment of the annual bonus is capped at a maximum of 150% of the target amount.

The following diagram shows how the annual bonus works:



Performance targets and weighting

In order to reflect Koenig & Bauer AG's business strategy comprehensively, both financial and non-financial performance targets are factored into the annual bonus. The financial bonus targets are based on earnings before interest and tax (EBIT) or the EBIT margin as well as net working capital. The non-financial performance targets entail ESG and strategic targets.

EBIT/EBIT margin

EBIT designates earnings before interest and taxes, while the EBIT margin designates the earnings margin before interest and taxes, which is calculated as the ratio of EBIT to total Group revenue. EBIT and the EBIT margin indicate the company's sustained earnings potential. They are calculated on the basis of Koenig & Bauer Group's audited consolidated financial statements, which have been approved by the Supervisory Board and for which an unqualified auditor's opinion has been issued. If the EBIT or the EBIT margin is measured at the segment or business unit level, the Supervisory Board may make adjustments to allow for the effects of any deviations from assumptions concerning increases in material and energy costs if they exceed or fall below a defined corridor. Any adjustments are disclosed in the remuneration report.

EBIT and the EBIT margin are included in the overall target achievement with a weighting of 50%. For members of the Management Board who do not hold responsibility for a specific segment, achievement of the EBIT or the EBIT margin targets is only measured at the Group level. However, the achievement of targets at the segment or business unit level may also be taken into account in the case of members of the Management Board who hold responsibility for individual segments. In this case, 60% of the target achievement under this performance criterion is measured at the Group level and 40% at the segment or business level. In the case of members of the Management Board for whom target achievement is not measured at the segment or business unit level, 100% of target achievement is measured at the Group level for the purposes of the performance criterion.

Prior to the commencement of the year, the Supervisory Board determines whether the EBIT or the EBIT margin is to be used as a performance for the upcoming year and whether the achievement of targets at the segment or business unit level should be taken into account for members of the Management Board with responsibility for individual segments.

Net working capital

Net working capital is expressed as a percentage of revenues and provides information on Koenig & Bauer AG's liquidity and ability to invest. It is also calculated on the basis of the Koenig & Bauer Group's audited consolidated financial statements, which have been approved by the Supervisory Board and for which an unqualified auditor's opinion has been issued.

In the case of the members of the Management Board with no responsibility for a specific segment, achievement of the net working capital target is only measured at the Group level. However, the achievement of targets at the segment or business unit level may also be taken into account in the case of members of the Management Board who hold responsibility for individual segments. In this case, 60% of the target achievement under this performance criterion is measured at Group level and 40% at the segment or business unit level. In the case of members of the Management Board for whom target achievement is not measured at the segment or business unit level, target achievement is measured solely at the Group level for the purposes of this performance criterion.

Prior to the commencement of the year, the Supervisory Board determines whether target achievement is to be determined at the segment or business unit level for members of the Management Board who hold responsibility for individual segments.

ESG and strategic targets

The ESG and strategic targets are assigned a weighting of 25% in the overall target achievement. They include ESG targets (environment, social, governance) as well as strategic targets.

The ESG targets are selected by the Supervisory Board on the basis of a list of criteria derived from Koenig & Bauer AG's sustainability strategy. The list of criteria provides the Supervisory Board with the necessary flexibility for taking into account of environmental, social and governance performance targets in the applicable year.

Environment	Social	Governance
Reduction of the ecological footprint	Responsibility for employees	Compliance
Sustainability in the supply chain	Responsibility for customers	Integrity
Industrial Environment Protection	Social and Community Engagement	

The strategic targets may include both collective and individual targets derived from Koenig & Bauer AG's business strategy.

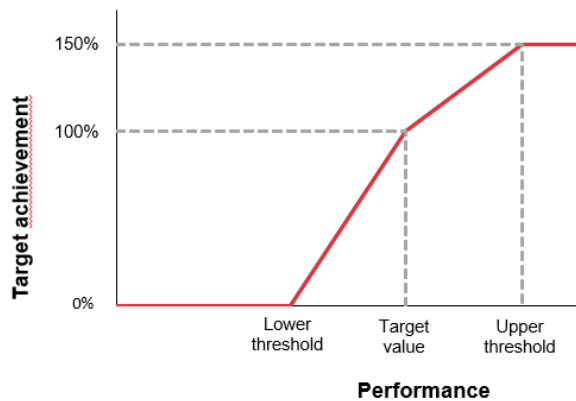
The specific performance targets and their respective weightings are determined by the Supervisory Board at the beginning of each year. In doing so, it ensures that these are underpinned by concrete, measurable and quantifiable targets and that they differ from the targets defined for the long-term incentive.

Determination of total target achievement and the payment amount

At the beginning of the year, the Supervisory Board determines the performance targets and the applicable lower and upper thresholds for the year. Achievement of the individual performance targets and the resultant overall target achievement can be between 0% and 150%.

If the target is met exactly, this corresponds to 100% target achievement. A result less than or equal to the lower threshold represents target achievement of 0%. 150% target achievement occurs when the upper threshold is reached or exceeded. If performance is between the thresholds and the target, target achievement is determined by means of linear interpolation.

The table below shows an example of an achievement curve for the performance targets for the annual bonus:



Actual total target achievement and the final payment amount are determined by the Supervisory Board after the end of the year in question. To determine overall target achievement, achievement of the performance targets is aggregated, taking into account the respective weightings. The payment amount is calculated by multiplying the total target achievement by the contractually agreed target amount in euros. Payment of the annual bonus is capped at a maximum of 150% of the target amount.

If any exceptional events or developments occur, the Supervisory Board may make appropriate adjustments to the annual bonus. Extraordinary events or developments may, for example, include the acquisition or disposal of a company or parts of a company or equity interests subject to approval by the Supervisory Board, a merger with another company, changes to the legal and/or regulatory framework or material changes in accounting policies.

The defined performance targets, their weighting, the target and threshold values as well as the resultant overall target achievement and the payment amount of the annual bonus are disclosed in Koenig & Bauer AG's remuneration report.

Payment

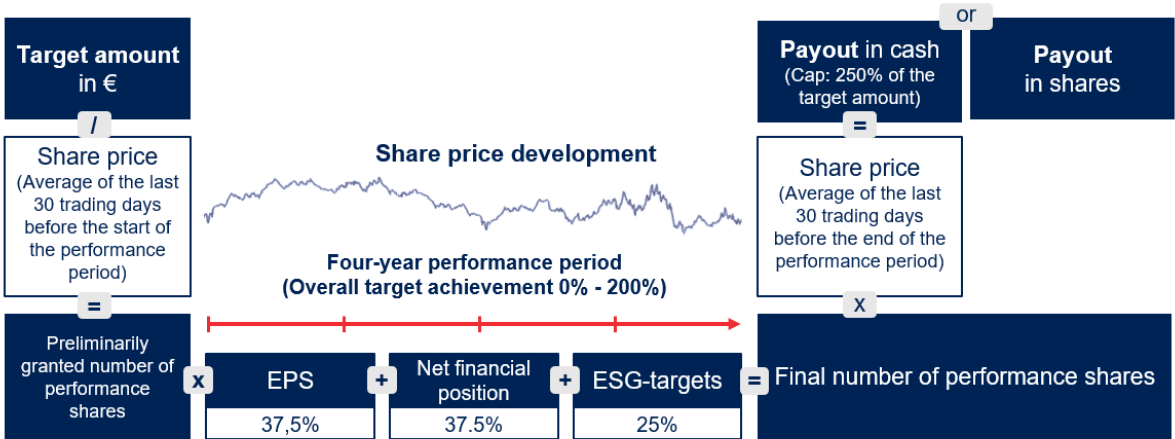
The annual bonus is paid on a non-cash basis in the next regular payment batch after the Annual General Meeting at which a resolution is passed to ratify the actions of the members of the Management Board for the previous year.

Long-term incentive (LTI)

Basic structure

The long-term incentive (LTI) is structured as a performance share plan that is linked to financial performance targets and ESG targets defined over a four-year period (performance period). A new LTI tranche is allocated annually. At the beginning of an LTI tranche, virtual shares (performance shares) are provisionally allocated to the members of the Management Board. The final number of performance share depends on overall achievement of the performance targets. Depending on the achievement of the individual performance targets defined for a given year, overall target achievement can be between 0% and 200%.The amount paid under the LTI is capped at at maximum of 250% of the target amount.

The following diagram shows how the LTI works:



Allocation of performance shares

To determine the provisionally allocated number of performance shares, the target amount in euros contractually agreed for the LTI is divided by the reference price of Koenig & Bauer AG's shares at the beginning of the performance period of a tranche (allocation price). The allocation price is the average of the daily closing prices of Koenig & Bauer AG's shares (including all available places behind the decimal point) on Deutsche Börse's Xetra trading platform (or a successor system replacing the Xetra system) over the last 30 trading days before the day on which the performance period of a tranche commences. The number of provisionally allocated performance shares is rounded up to the nearest whole number.

Performance targets and weighting

Koenig & Bauer AG's LTI also includes financial and non-financial performance targets. The financial performance targets are based on earnings per share (EPS) and net financial position. The non-financial performance targets entail ESG targets:

EPS

EPS is short for earnings per share. It provides a measure of Koenig & Bauer AG's long-term profitability and is calculated on the basis of the Koenig & Bauer Group's audited consolidated financial statements, which have been approved by the Supervisory Board and for which an unqualified auditor's opinion has been issued.

The achievement of the EPS target has a weighting of 37.5% in overall target achievement.

Net financial position

Net financial position is Koenig & Bauer AG's main target and performance indicator and is therefore the second financial performance target for the LTI. It is also calculated on the basis of the Koenig & Bauer Group's audited consolidated financial statements, which have been approved by the Supervisory Board and for which an unqualified auditor's opinion has been issued.

The achievement of the net financial position target likewise has a weighting of 37.5% in overall target achievement.

ESG targets

The ESG and strategic targets are assigned a weighting of 25% within overall target achievement. The specific ESG targets and their respective weightings are determined by the Supervisory Board in alignment with the annual bonus, selected on the basis of the list of criteria described above and derived from Koenig & Bauer AG's sustainability strategy. In doing so, the Supervisory Board ensures that these are also underpinned by concrete, measurable and quantifiable targets. In addition, the Supervisory Board allows for the fact that different ESG targets are defined for the annual bonus and the LTI tranche for a given year.

One performance target commonly used for the LTI is relative total shareholder return (relative TSR). As TSR has only a minor significance for Koenig & Bauer AG due to its specific shareholder structure characterised by strong principal shareholders, it is not taken into account for LTI purposes. Instead, financial performance targets of high strategic relevance for Koenig & Bauer AG are applied. Nevertheless, a close alignment to the share

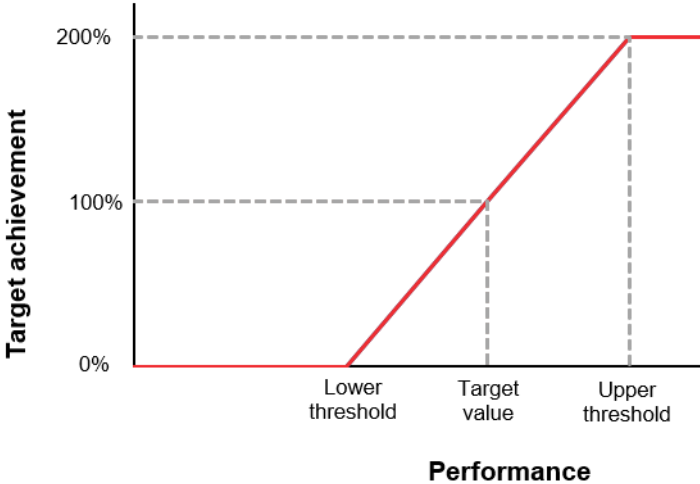
is ensured within the LTI by applying Koenig & Bauer AG's share price at the beginning or at the end of a performance period to determine the allocated and final number of performance shares. In addition, the members of the Management Board will be required under the share ownership guidelines to acquire shares in Koenig & Bauer AG and hold them until the end of their respective service contracts to ensure greater alignment of the Management Board's interests with those of the shareholders.

Determination of total target achievement and the payment amount

At the beginning of each LTI tranche, the Supervisory Board determines the performance targets and the applicable lower and upper thresholds. Achievement of the individual performance targets and the resultant overall target achievement can be between 0% and 200%.

If the target is met exactly, this corresponds to 100% target achievement. A result less than or equal to the lower threshold represents target achievement of 0%. 200% target achievement occurs when the upper threshold is reached or exceeded. If performance is between the thresholds and the target, target achievement is determined through linear interpolation.

The diagram below shows an example of an achievement curve for the LTI performance targets:



Actual total target achievement and the final payment amount are determined by the Supervisory Board after the end of the performance period. To determine overall target achievement, achievement of the performance targets is aggregated, taking into account the respective weightings. The final number of performance shares is calculated by multiplying

total target achievement with the number of provisionally allocated performance shares. The LTI payment amount is calculated on the basis of the final number of performance shares multiplied by the applicable reference price of the Koenig & Bauer AG shares at the end of the performance period of a tranche (“closing price”). The closing price is the average of the daily closing prices of Koenig & Bauer AG’s shares (including all available decimal places) on Deutsche Börse’s Xetra trading platform (or a successor system replacing the Xetra system) over the last 30 trading days at the end of the performance period of a tranche. The LTI payment is capped at a maximum of 250% of the target amount.

If any exceptional events or developments occur, the Supervisory Board may make appropriate adjustments to the LTI. Extraordinary events or developments may, for example, include the acquisition or disposal of a company or parts of a company or equity interests subject to approval by the Supervisory Board, a merger with another company, changes to the legal and/or regulatory framework or material changes in accounting policies.

The defined performance targets, their weighting, the target and threshold values as well as the resultant overall target achievement and the LTI payment amount are disclosed in Koenig & Bauer AG’s remuneration report.

Payment

The LTI is generally paid in cash or through the allocation of Koenig & Bauer shares.

If the Supervisory Board decides to make a cash payment, the LTI is paid by bank transfer after the end of the respective performance period subject to the deduction of income tax and, if applicable, social security contributions in the next regular payment batch after the Annual General Meeting at which a resolution is passed to ratify the actions of the members of the Management Board for the last year of the performance.

If the Supervisory Board decides to settle the entitlement by allocating shares, the final number of performance shares is converted into Koenig & Bauer AG shares at the end of the applicable performance period. The number of shares is transferred to the Management Board member’s custody account subject to deduction of income tax, if applicable, social security contributions in the next regular payment batch after the Annual General Meeting at which a resolution is passed to ratify the actions of the members of the Management Board for the last year of the performance period.

c. Further contractual components

Share ownership guidelines

The members of the Management Board are required to acquire shares in Koenig & Bauer AG in an amount equalling 100% of their fixed annual salary (SOG target) and to hold them for the duration of their service contract. Until the individual SOG target is reached, each member of the Management Board must acquire shares in Koenig & Bauer AG in an amount equivalent to 25% of the gross payment amount under the performance share plan.

The obligation to acquire and hold shares commences upon the Management Board member's initial appointment or, in the case of existing members of the Management Board, upon the date on which the remuneration system takes effect (1 January 2024).

Malus/clawback arrangements

Under special circumstances, Koenig & Bauer AG may refuse to pay variable remuneration elements in full or part ("malus") or may reclaim payments already made in part or in full ("clawback").

Variable remuneration elements may particularly be reclaimed if the payment of variable remuneration elements is based on incorrect or incomplete information about the agreed assessment bases and a lower variable remuneration payment would have resulted from a subsequent correction of such information (restatement clawback).

In addition, a payment already made may be justifiably reclaimed in the event of any relevant misconduct by the member of the Management Board during the year in which the variable remuneration commitment accrues. Relevant misconduct may include a direct violation of the Koenig & Bauer Group's Code of Conduct or breaches of any statutory duties (compliance clawback). Such misconduct also arises if the member of the Management Board has failed to take any steps consistent with his or her duties to prevent any breaches by third parties. Koenig & Bauer AG may provisionally refuse to pay the variable remuneration elements under similar circumstances (compliance penalty).

Maximum remuneration

Under Section 87a (1) of the German Stock Corporation Act, the total annual remuneration payable to the members of the Management Board is capped at a certain maximum amount. The maximum remuneration includes all payments of the fixed remuneration elements in the form of the fixed annual salary, the fringe benefits and the annual pension contribution or

pension remuneration, including taxable non-cash pecuniary benefits, as well as payments of the variable remuneration components consisting of the annual bonus and the long-term incentive Payment of the remuneration granted is capped for a given year, regardless of the actual payment date. Maximum remuneration is capped €2.8m for the Chief Executive Officer and at €2.1m for the other members of the Management Board. If the total annual remuneration exceeds the maximum remuneration under Section 87a (1) of the German Stock Corporation Act, payment under the long-term incentive is reduced accordingly.

6. Remuneration-related legal transactions

a. Term, commencement during the year and premature termination of the contracts of the members of the Management Board.

The term of the service contracts of the members of the Management Board depends on the duration of their appointment and is renewed for the duration of any reappointment. In connection with the appointment, the Supervisory Board takes into account the limit provided for in Section 84 of the German Stock Corporation Act, particularly the maximum duration of five years.

If the service contract begins during the year, the member of the Management Board is entitled to remuneration on a time-proportionate basis.

If the member's activities on the Management Board are terminated due to the revocation of the appointment in accordance with Section 84 (3) of the German Stock Corporation Act, the contract automatically expires subject to a notice period in accordance with Section 622 (1) of the German Civil Code. The notice period commences upon delivery of the notification of revocation. This does not prejudice the right to terminate the appointment without notice for good cause. In the event of early termination, the member of the Management Board is entitled to remuneration for the original remaining term of the contractor, if this exceeds two years, to two years' remuneration (severance pay cap).

The company may also waive the services of the member of the Management Board before the final termination of the service contract subject to continued payment of remuneration and release him or her from his or her activities. In this case, he or she may resign from the Management Board.

In the event of premature termination of the member's activities on the Management Board due to good cause for which he or she is responsible in accordance with Section 626 (1) of

the German Civil Code, as a result of the effective revocation of the appointment for good cause in accordance with Section 84 (4) of the German Stock Corporation Act (with the exception of a vote of no confidence by the Annual General Meeting) or due to the termination or suspension of the service contract for reasons for which the member of the Management Board is not responsible (without Koenig & Bauer AG's consent), entitlement to the variable remuneration elements for the year in question lapses in full. Similarly, no severance payments are made in this case.

If the service contract expires before the end of the year due to the Management Board member's incapacity to work or following his or her death, he or she is entitled to the variable remuneration elements on a pro rata basis. The target amount of the annual bonus is paid immediately, less a time-proportionate deduction. Performance shares provisionally allocated under the long-term incentive for which the performance period has not yet expired are paid out on the basis of the target amount with the target amount for the year in which the service contract expires applied on a time-proportionate basis. Payments are made immediately.

If the service contract expires before the end of the year for reasons other than those stated above, the member of the Management Board is entitled to time-proportionate variable remuneration for that year. The payment amount under the short-term and long-term variable remuneration elements is determined and remitted on the regular payment dates, taking into account the performance targets.

b. Change-of-control arrangements

The remuneration system does not provide for any special termination rights or entitlement to severance pay for the members of the Management Board in the event of any change of control.

c. Remuneration for mandates held

If a member of the Management Board assumes any positions within the Koenig & Bauer Group as a managing director, a member of the Supervisory Board or Advisory Council or in any other capacity, any remuneration accruing will be deducted from the remuneration accruing to him or her as a member of Koenig & Bauer AG's Management Board.

The members of the Management Board require the Supervisory Board's consent before taking up a position on a supervisory board or an advisory board and similar functions outside the Koenig & Bauer Group. At the same time, the Supervisory Board decides

whether and to what extent any remuneration is to be deducted from the Management Board remuneration.

d. Post-contractual non-competitive clause

The members of the Management Board are subject to a non-competition clause for a maximum of two years after leaving the Management Board. In consideration of this undertaking, the company agrees to pay compensation equalling 50% of the monthly gross fixed salary under the contract and the annual bonus owed at the time of termination of service for each month of the duration of the post-contractual non-competition clause. The latter is calculated on the basis of the average remuneration over the last three full years.

Any income that the member of the Management Board earns or maliciously fails to earn from self-employed, employed or other gainful activity during the period of the post-contractual non-competition clause is deducted from such compensation, insofar as such income and the compensation would jointly exceed the monthly gross fixed salary under the service contract owed at the time at which it is terminated.

In accordance with the recommendation of the German Corporate Governance Code, the compensation is settled together with payment of any severance compensation in the event of premature termination of the service contract. The same applies if the member of the Management Board terminates the service contract and receives pension benefits resulting from his or her activities for the company.

The company may waive the obligation to comply with the non-competition clause in a written declaration issued prior to or at the same time as the expiry of the service contract with the result that it will be released from any obligation to pay compensation upon the expiry of a six-month period starting from the date of receipt of the declaration.

7. Procedure for determining and implementing the remuneration system and the amount of the Management Board remuneration

a. Determination and implementation of the remuneration system

In accordance with Section 87 (1) of the German Stock Corporation Act, the remuneration is determined by the Supervisory Board. The regular review of the remuneration system by the Supervisory Board is prepared by the Personnel Committee, which recommends any necessary modifications. If necessary, the Personnel Committee and the Supervisory Board may also make use of the advice of external experts, in which case they ensure that such external experts are independent of the Management Board and the company.

The remuneration system is submitted to the shareholders for approval in the event of any significant changes, however at least once every four years. If the shareholders do not approve the system submitted, the Supervisory Board must present a revised version of the remuneration system for approval by no later than the following ordinary Annual General Meeting.

b. Determination and appropriateness of the amount of the Management Board remuneration

In determining the remuneration, the Supervisory Board ensures that the remuneration of the members of the Management Board is commensurate with their respective duties and performance as well as the company's situation and does not exceed the usual remuneration without good reason. This is determined by the Supervisory Board in a horizontal and vertical comparison.

In doing so, it attaches importance to remunerating the members of the Management Board appropriately. The criteria for this are the duties, personal performance and experience of the individual members of the Management Board, as well as the economic situation, success and future prospects of the company and the customary nature of the remuneration, taking into account the market environment (horizontal comparison) and the remuneration structure that otherwise applies in the company (vertical comparison).

In the horizontal comparison, the customary nature of the remuneration is assessed on the basis of country, company size and industry. In this connection, the Supervisory Board applies a national index relevant to Koenig & Bauer for the purposes of the market comparison. For the purposes of the industry as a criterion, an individual peer group comprising relevant competitors is also used. The composition of the peer groups selected is disclosed in the remuneration report.

In addition to the market environment, the remuneration and employment conditions of the company's employees are also taken into account. In a vertical comparison, the Supervisory Board considers the relationship between the remuneration of the members of the Management Board and the remuneration of Koenig & Bauer AG's senior management and its workforce in Germany, as well as trends over time.

c. Measures to avert and address conflicts of interest

The rules adopted by Koenig & Bauer AG's Supervisory Board to avert and address conflicts of interest also apply to the procedure for determining, implementing and reviewing the remuneration system. Any conflicts of interest must be disclosed immediately to the Chairman of the Supervisory Board. In its report to the Annual General Meeting, the Supervisory Board discloses any conflicts of interests that have arisen and the response taken to address them.

8. Temporary departure from the remuneration system

Under section 87a (2) sentence 2 of the German Stock Corporation Act, the Supervisory Board may temporarily depart from the remuneration system if this is necessary in the company's long-term interests. In particular, the Supervisory Board may depart from the performance targets defined for the annual bonus and the long-term incentive, the possible ranges for achievement of the individual performance targets for variable remuneration as well as the performance periods and payment dates for the variable remuneration elements. If the incentive effect of the remuneration cannot be adequately restored by adjusting the existing remuneration elements, the Supervisory Board may temporarily grant additional remuneration elements or replace individual remuneration elements with other ones.

However, even in the event of a temporary deviation, the remuneration must remain aligned with the company's long-term and sustainable development and consistent with its success and the performance of the members of the Management Board. Generally unfavourable market developments expressly do not constitute an exceptional case entitling the Supervisory Board to deviate from the remuneration system.

A temporary deviation is permitted only after careful analysis of the extraordinary circumstances and requires a resolution by the Supervisory Board, which expressly mentions the deviation from the remuneration system approved by the shareholders at the Annual General Meeting. In the event of a temporary departure from the remuneration system, the remuneration report for the following year must disclose the deviations from the remuneration system, including an explanation of the reasons for the deviation and the components of the remuneration system affected by it.