

Management Board Remuneration System

A. Main features of the Management Board Remuneration System

The Management Board remuneration system of home24 SE ("Company") contributes to the promotion of the business strategy and the long-term development of the Company. The provided incentives are structured to provide an additional motivation for the Management Board to work towards the sustainable success of the Company. The Management Board remuneration system thus serves the interests of shareholders, employees, customers and other stakeholders. At the same time, the customary and competitive remuneration of the Management Board shall ensure that the Company can continue to compete successfully on the national and international market for the best candidates for the position of Management Board member.

In determining the amount and structure of the remuneration of the Management Board, the Supervisory Board is guided in particular by the following four principles:

- **Responsibility and Adequacy**

The remuneration of the Management Board reflects the responsibility of the Management Board for the management of the Company as well as the responsibility of the individual Management Board member in his or her area of responsibility and adequately considers the respective tasks and performance.

- **Performance**

The Management Board remuneration system takes the performance of the Management Board as a body and of its individual members adequately into account and promotes the commitment to sustainable action by the Management Board. The variable compensation components include adequate and ambitious performance criteria (*Pay for Performance*).

- **Entrepreneurship and Sustainability**

The remuneration system is particularly geared to increasing the value of the Company in the long term. By participating in the long-term increase in value, the Management Board is encouraged to act in an entrepreneurial manner. Long-term

variable compensation therefore accounts for a significant proportion of total compensation and significantly exceeds short-term variable compensation.

In addition, the compensation system includes non-financial performance criteria from the areas of environment, social and governance ("ESG"). These components of the remuneration structure provide targeted incentives to work towards sustainable and future-oriented growth of the company for the common good.

- **Capital Market Orientation**

In order to align the actions of the Management Board with the long-term positive development of the Company and the interests of the Company's shareholders, the variable performance-related compensation components will be granted predominantly on a share-based basis.

The Management Board remuneration system is designed to be clear and comprehensible. It complies with the requirements of Section 87a (1) of the German Stock Corporation Act (*AktG*) and the recommendations of the German Corporate Governance Code in the version dated 16 December 2019 ("GCGC"), insofar as no deviation from these recommendations is declared.

In addition, identifiable shareholder interests were taken into account as far as possible during the preparation process and recommendations from shareholder associations (*proxy voting guidelines*) were included in the design. In particular, the Supervisory Board dealt in detail with the feedback from shareholders and the voting proposals of the proxy advisors on the remuneration system submitted to a vote at the Annual General Meeting on 17 June 2021. In reaction, transparency was significantly increased overall. Furthermore, additional targets were introduced for the LTI component of total compensation, comprising financial and non-financial performance parameters. The performance parameters are described in terms of content. The specific targets for the individual performance parameters are set by the Supervisory Board when the performance-related compensation components are granted for the respective performance period; the targets are disclosed in the remuneration report for the past period. The maximum achievable remuneration (cap) has been reduced for all Management Board members and, in line with the market standard, a differentiation has been introduced between the Chairman of the Management Board and ordinary Management Board members. The remuneration system now also includes market-standard malus and clawback provisions. The main changes compared with the remuneration system submitted for approval to the Annual

General Meeting on 17 June 2021 can be seen in the overview of the main compensation elements provided under C.I.

The Management Board remuneration system continues to provide the Supervisory Board with the necessary flexibility to respond to organizational changes and to take account of different market conditions.

B. Procedure for determining the Management Board remuneration system

The system of Management Board remuneration is determined by the Supervisory Board as a whole. Pursuant to § 12 of its Rules of Procedure, the Supervisory Board has established a Remuneration Committee which is responsible for matters relating to the remuneration of the Management Board and supports the Supervisory Board as a whole in this respect.

The Supervisory Board consults external advisors as it deems necessary in each case. When appointing external consultants, attention is paid to their independence and a certificate of independence is required. In designing the Management Board remuneration system described below, the Supervisory Board has involved an internationally oriented consulting firm specializing in executive board compensation.

The recommendations of the GCGC and the rules of the Supervisory Board's Rules of Procedure are also complied with in determining, reviewing and implementing the Management Board remuneration system in order to deal with potential conflicts of interest on the part of the members of the Supervisory Board.

The Management Board remuneration system adopted by the Supervisory Board is submitted to the Annual General Meeting for approval. If the Annual General Meeting does not approve the Management Board remuneration system put to the vote, a revised Management Board remuneration system will be presented at the latest at the following Annual General Meeting. If the Annual General Meeting approves the Management Board remuneration system with what the Supervisory Board considers to be an inappropriate majority, the Supervisory Board shall make any necessary adjustments based on the shareholder feedback and resubmit the adjusted system to the Annual General Meeting for approval.

The Supervisory Board regularly reviews the Management Board remuneration system and decides on changes if necessary. In the event of significant changes, but at least every

four years, the remuneration system is again submitted to the Annual General Meeting for approval.

C. Components of the Management Board remuneration

I. Overview

The remuneration of the members of the Management Board of the Company comprises fixed and variable components. The fixed, non-performance-related remuneration comprises the annual fixed cash compensation and customary fringe benefits. The variable remuneration consists of a short-term component (STI) and a long-term component (LTI).

The main components of the Management Board's remuneration are outlined below:

	Remuneration element	Current remuneration system 2022	Change to 2021
Fixed remuneration	Fixed compensation	<ul style="list-style-type: none"> Fixed annual compensation in accordance with Management Board member's service agreement Payable in 12 monthly installments 	<i>Unchanged</i>
	Fringe benefits	<ul style="list-style-type: none"> Health insurance and pension allowances Further customary benefits and allowances, in particular those which are also granted to employees of the Company Accident/disability insurance D&O insurance 	<i>Unchanged</i>
Short-term variable compensation (STI)	Plan type	Target bonus	<i>Unchanged</i>
	Allocation	Target bonus at 100% target achievement according to Management Board member's service agreement	<i>Unchanged</i>
	Performance criteria	<ul style="list-style-type: none"> Revenue (weighted: 40%) Adjusted EBITDA margin (weighted: 40%) ESG-targets (weighted: 20%) 	<i>New: Changeover to a revenue target and a relative profitability target (adjusted EBITDA margin) as targets for profitable growth</i>
	Runtime/ Performance Period	One financial year	<i>Unchanged</i>
	Payment/ maximum amount	<ul style="list-style-type: none"> In the month after approval of the consolidated financial statements for the performance period Payment of 0% to 150% depending on target achievement 	<i>New: possibility of over-achieving targets and thus maximum payout of up to 150% of the target bonus</i>

		<ul style="list-style-type: none"> cash 	
Lang-term variable remuneration (LTI)	Plan type	Stock option plan	<i>Unchanged</i>
	Allocation	<ul style="list-style-type: none"> One time allocation at conclusion of the Management Board member's service agreement or annual (rolling) allocation on the basis of an agreed target amount 	<i>Unchanged</i>
	Performance criteria	<ul style="list-style-type: none"> Average revenue growth (weighted: 40%) Adjusted EBIT-margin (weighted: 40%) ESG-targets (weighted: 20%) 	<i>New: Introduction of additional targets consisting of financial and non-financial performance criteria</i>
	Runtime/ Performance Period	<ul style="list-style-type: none"> Performance Period: at least three years Waiting Period before first exercise: four years Runtime in total: eight years 	<i>New: possibility of adjusting the performance period to the term of the service agreement, but at least three years</i>
	Exercise Period	Four years	<i>Unchanged</i>
	Payment	<ul style="list-style-type: none"> Generally in home24 shares Supervisory Board is entitled to settle in cash 	<i>Unchanged</i>
	Others	Total target compensation	<ul style="list-style-type: none"> Generally determined at conclusion of the Management Board member's service agreement For variable remuneration components a target achievement of 100% is assumed The valuation of share-based compensation components is carried out according to recognized financial-mathematical methods
Maximum remuneration		<p>Payment of the total remuneration for one year is capped in accordance with Section 87a (1) s. 2 no. 1 German Stock Corporation Act (AktG) as follows:</p> <ul style="list-style-type: none"> Ordinary Management Board member EUR 7m per year Chairperson of the Management Board: EUR 10m per year 	<i>New: Maximum remuneration significantly reduced; differentiation according to Management Board function</i>
Malus/ Clawback		<p>Supervisory Board can withhold or clawback variable remuneration components in part and in full in the following cases:</p> <ul style="list-style-type: none"> grossly negligent or intentional breaches of the duties of the members of the Management Board; serious violations of internal compliance or behavioral guidelines; determination of target achievement on the basis of wrong data. 	<i>New: So far only limited clawback regulation regarding STI</i>

The Management Board remuneration system is supplemented by the possibility of appropriate and customary commitments in connection with the commencement of Management Board service.

II. Structure and composition of the Total Target Compensation

The concrete structure as well as the amount and breakdown of the total target compensation for a member of the Management Board of the Company is determined at the beginning of the respective term of office. In the case of the variable compensation components (STI and LTI), the target amount is based in each case on 100% target achievement and, in the event of overachievement of the targets, maximum limits for target achievement are defined. In addition, a maximum amount (cap) is defined which the compensation paid for one year may not exceed. If the LTI component is granted once at the beginning of the service agreement for the term of the service agreement, the total allocation amount of the LTI component is divided equally over the term of the service agreement in years.

The share of fixed compensation in the total target compensation is 17-39%; the share of fringe benefits is 1-7%. Short-term variable compensation accounts for 4-18% of total target compensation, while long-term variable compensation accounts for 50-76% and, thus, the majority of total target compensation. In accordance with the requirements of the German Stock Corporation Act (*AktG*) and the German Corporate Governance Code (GCGC), the Supervisory Board thus ensures that the variable compensation resulting from the achievement of long-term targets exceeds the share of compensation related to short-term targets.

This results in the following distribution of the total target compensation among the individual compensation components:

	Compensation component	Percentage share of total target compensation
Fixed compensation	<i>Fixed compensation</i>	17-39 %
	<i>Fringe benefits</i>	1-7 %
Variable remuneration	<i>Short-term variable remuneration (STI)</i>	4-18 %
	<i>Long-term variable remuneration (LTI)</i>	50-76 %

III. Fixed compensation components

The fixed, non-performance-related compensation, the amount of which is based on the area of responsibility and experience of the respective Management Board member, is paid in cash in twelve monthly installments.

The Management Board members also receive customary fringe benefits, including in particular health insurance allowances and monthly gross amounts equivalent to the employer's contributions to statutory pension and unemployment insurance, as well as payment of the costs of D&O insurance and accident/disability insurance, whereby the D&O insurance for Management Board members provides for a deductible of 10% per claim limited to a maximum of one and a half times the annual fixed compensation. In addition, members of the Management Board may receive customary benefits and allowances that are also granted to employees of the Company.

IV. Variable compensation components

The variable compensation is linked to performance and aligned to the Company's short- and long-term goals and development. In accordance with the recommendations of the GCGC, the value of the long-term variable compensation outweighs the value of the short-term variable compensation as a proportion of the total target compensation. The amount of the respective component realized depends on the achievement of the relevant targets and, in the case of long-term variable compensation, also on the development of the Company's share price.

1. Short-term variable compensation (STI)

The STI is designed as a performance-based variable bonus with a one-year performance period that incentivizes the contribution made in the financial year to the operational implementation of the corporate strategy and to sustainable corporate development. In addition to two financial performance criteria, each weighted at 40%, the short-term variable compensation also includes one or more non-financial ESG performance targets, weighted at 20% in total. The Supervisory Board may, at its due discretion, waive the granting of short-term variable compensation in the form of the STI in individual cases.

The following is an overview of how the STI works:



a) Financial performance criteria

The majority of the STI is measured by the achievement of the two financial performance criteria of revenue and adjusted EBITDA margin. Revenue and adjusted EBITDA margin are key financial performance indicators for home24's operating business and reflect the company's focus on profitable growth.

- **Revenue:** Revenue is the revenue reported, approved and audited in the consolidated financial statements. It is the key indicator of demand for home24's products and therefore an important factor in the implementation of home24's ambitious growth strategy. Aligning management remuneration with the Company's revenue thus helps to promote the Company's growth-oriented business strategy.
- **Adjusted EBITDA margin:** home24 defines EBITDA as the sum of earnings before interest and taxes plus depreciation, amortization and impairment losses.

Adjusted EBITDA is calculated by adjusting EBITDA for income/expenses for share-based payments and non-recurring special effects (such as restructuring expenses). The adjusted EBITDA margin reflects the ratio of adjusted EBITDA to revenues and thus the operating earnings power of home24. It ensures the profitability of the business model with a simultaneous focus on growth and thus the financial sustainability of the Company's business strategy.

At the beginning of each financial year, the Supervisory Board sets a target value as well as an upper and lower threshold value for the aforementioned STI performance criteria. In doing so, it may be guided by the budget planning for the respective financial year. To ensure that these targets do not fail to fulfill their incentive function, the Supervisory Board will use its due discretion to ensure that the targets are ambitious on the one hand, but remain achievable for the Management Board member on the other.

b) Non-financial performance criteria (ESG-Target)

In addition to the financial development, the sustainable non-financial development of the Company is also of decisive importance for the long-term success of the Company. A share of the STI weighted at 20% is measured by the achievement of one or the sum of several non-financial ESG targets derived from home24's respective applicable sustainability strategy. ESG targets may relate, for example, to a reduction in CO² emissions, efficient use of resources, use of sustainable resources, sustainable sourcing along the supply chain, improvement of customer satisfaction and/or employee satisfaction, promotion of diversity, employee training and development, occupational health and safety along the supply chain and/or certain compliance criteria.

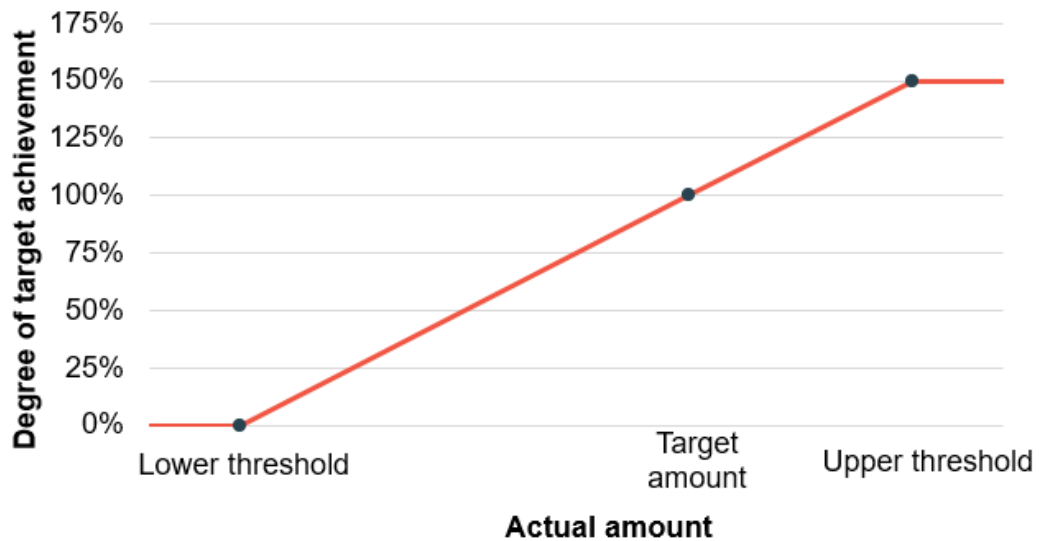
When defining the concrete ESG targets, the Supervisory Board also determines the method for measuring performance as well as the target value, a lower threshold value and an upper threshold value. The specific target achievement can range from 0% to 150% and is explained in the remuneration report after the end of the relevant financial year. When determining the specific ESG performance target, the Supervisory Board ensures that it is as measurable and transparent as possible. If the selected ESG performance target cannot be measured or determined due to unforeseeable developments, the Supervisory Board may use an alternative key performance indicator that comes as close as possible to the original purpose. In principle, however, subsequent changes are also excluded for the ESG performance target in accordance with the recommendation G.8 of the German Corporate Governance Code.

If, when setting the non-financial ESG performance targets, the Supervisory Board also specifies strategic/conceptual or qualitative targets (e.g. the development or revision of a sustainability strategy, the improvement of reporting/transparency on ESG dimensions) that cannot be measured quantitatively, the Supervisory Board will decide on the degree of target achievement at its due discretion and disclose the main considerations for its decision in the remuneration report. In doing so, the Supervisory Board will select an assessment approach that makes the determination of target achievement objectively comprehensible.

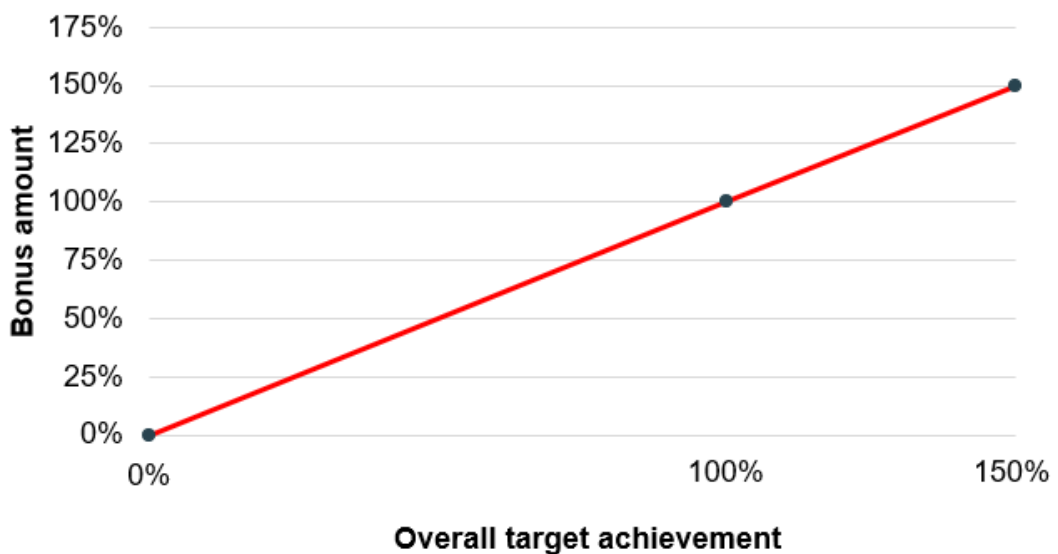
c) Determination of target achievement and payment modalities

The overall target achievement of the STI is determined by the Supervisory Board after the end of the financial year on the basis of target achievement in the individual financial and non-financial performance criteria and the respective weighting. Subsequent changes to the performance criteria are excluded.

The degree of target achievement for the performance criteria is determined by comparing the actual value achieved in the financial year with the target value (planned value) defined by the Supervisory Board. The range of possible degrees of target achievement for the performance criteria in the STI is between 0% and 150%. If the actual value is equal to the target value defined by the Supervisory Board, the degree of target achievement for the performance criterion is 100%. If the actual value falls below the lower threshold defined by the Supervisory Board, the degree of target achievement for the performance criterion is 0%. If the actual value reaches or exceeds the upper threshold defined by the Supervisory Board, the degree of target achievement for the performance criterion is 150%. If an actual value between the lower threshold value and the target value is achieved, the degree of target achievement is determined by linear interpolation; the same applies if an actual value between the target value and the upper threshold value is achieved. The determination of the degree of target achievement depending on the actual value achieved can thus be visualized schematically as follows:



The overall target achievement is calculated by multiplying the target achievement levels of the performance criteria by their respective weightings and then adding them together. The overall STI target achievement is then multiplied by the STI target value to determine the annual payout amount. The annual STI payout for all Management Board members is capped at 150% of the target amount. If the actual value falls below the lower threshold for all three performance criteria, the bonus is forfeited completely. The target achievement in relation to the bonus amount is shown below:



The STI is paid out in cash and is generally due for payment in the next regular salary cycle following approval of the consolidated financial statements for the relevant financial year of home24. If the Management Board member service contract begins or ends in the respective financial year, the target amount is reduced *pro rata temporis* to the date of the beginning or end.

2. Long-term variable compensation (LTI)

As long-term, share-based variable compensation, the Management Board receives Performance Shares under the Company's LTIP.

a) Main features of the LTIP

The LTIP enables the Management Board to participate in any increases in the equity value, as the performance of the Performance Shares is linked to the performance of the Company's shares. The Performance Shares are structured like stock options. The beneficiary receives the difference in value between the higher share price at the time of exercise and the exercise price (*Base Price*) set when the Performance Shares were issued - at the discretion of the Company - either in the form of shares in the Company or in cash. Performance shares are normally earned over a period of 12 months after the effective date (*Vesting*). According to the currently valid LTIP conditions, Performance Shares can generally be exercised after the expiry of a four-year *Waiting Period*, provided they are vested. The LTIP is backed with a conditional capital and provides for a minimum target under stock corporation law of achieving an average growth rate of at least 10% in the home24 Group's sales growth over the four years following the granting of the Performance Shares, adjusted for special effects (*Performance Target*). For members of the Management Board, the Supervisory Board provides for additional targets in accordance with the financial and non-financial performance criteria described in this remuneration system. The Performance Shares can be exercised within four years of the end of the waiting period (*Exercise Period*).

Beneficiaries are not subject to any requirements regarding the holding of the corresponding shares. In the view of the Supervisory Board, share ownership guidelines are not necessary due to the specific structure of the remuneration system. In the view of the Supervisory Board, even without holding requirements the Management Board is extraordinarily strongly incentivized by the performance of the Company's stock compared with the remuneration structure of other peer companies, which leads to a synchronization of man-

agement Board and shareholder interests. This is mainly due to the relatively high proportion of share-based long-term variable compensation with option character combined with the long waiting period of four years before granted LTIP tranches can be exercised. On the one hand, this promotes entrepreneurial spirit, as the total target compensation envisaged with the LTI component is only achieved if the share price develops accordingly. At the same time, the multi-year waiting period before the options can be exercised minimizes the prioritization of short-term measures to increase the share price in the interests of sustainable corporate value development.

b) Granting of Performance Shares to the Management Board

Upon conclusion of his service contract, a member of the Management Board may receive a conditional commitment for Performance Shares for the entire term of the contract, with the grant being made in equal parts for the entire term of the contract (sequential commitment or "**Upfront Grant**"). Alternatively, when the service contract is concluded, a target compensation for the LTI component is determined from which the number of Performance Shares to be granted is calculated for each year of the term of a service contract using recognized mathematical valuation methods (annual (rolling) allocation).

In the case of an Upfront Grant, the annual tranches granted at the beginning of the service contract may have different economic grant dates (*Effective Dates*), so that the vesting period for each annual tranche must be determined independently.

In determining the relevant Base Price for a tranche, the Supervisory Board takes into account the average closing price of the Company's shares in XETRA trading over a representative period determined by the Supervisory Board (e.g. the previous month or a previous quarter) prior to the economic grant date and, depending on the market environment, makes any necessary premiums or discounts.

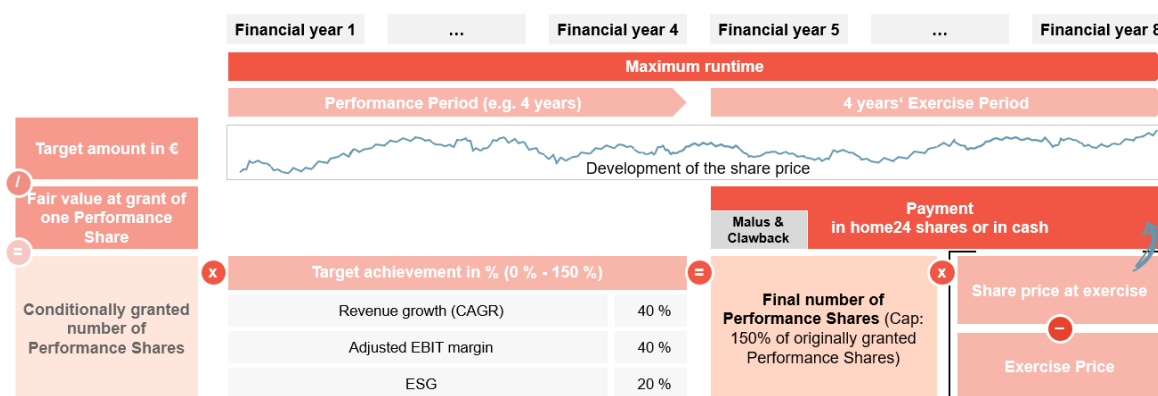
In determining the number of Performance Shares granted to Management Board members, the target amount of the LTI component is divided by the fair value per Performance Share at grant date. The fair value is determined using a recognized valuation method (e.g. Black Scholes model, Monte Carlo simulation).

c) Additional performance criteria for the granting of Performance Shares

In addition to the target defined in the LTIP, the Supervisory Board sets further financial and non-financial performance criteria for the Management Board, which are explained

in more detail below. The final number of Performance Shares to which a Management Board member is entitled is determined at the end of a so-called "**Performance Period**", the length of which is generally based on the term of the respective service agreement, but is at least three years to ensure a long-term perspective. The calculation is based on the achievement of the performance criteria defined by the Supervisory Board. As with the STI, the LTI has two financial performance criteria, each weighted at 40%, and a non-financial ESG performance target weighted at 20%. If the performance criteria are not met, the number of Performance Shares is reduced. If the performance criteria are exceeded, the number of Performance Shares increases. The final number of Performance Shares at the end of the Performance Period is limited to 150% of the conditionally granted number of Performance Shares at the beginning of the Performance Period.

The following is an overview of how the LTI works:



aa) Financial performance criteria – Revenue growth and adjusted EBIT margin

The relevant financial performance criteria for the LTI component are revenue growth and adjusted EBIT margin. Both financial performance criteria are weighted at 40% each. Both performance criteria promote the implementation of the Company's business strategy and the orientation of the LTI towards the long-term development of the Company.

- **Revenue growth:** Revenue growth refers to the increase in the group revenue within the performance period and is measured as the compound annual growth rate ("CAGR"). Revenue is the key indicator for the implementation of the Company's ambitious growth strategy. Aligning remuneration with

the Company's revenue growth thus makes a significant contribution to promoting the business strategy and the Company's long-term growth-oriented development.

- **Adjusted EBIT margin:** The Company defines EBIT as the sum of earnings before interest and taxes. Adjusted EBIT is calculated by adjusting EBIT for income/expense from share-based payments and non-recurring items (such as restructuring charges). Adjusted EBIT margin reflects the ratio of adjusted EBIT to sales and thus the company's earning power with the aim of ensuring the financial sustainability of the Company's business strategy over the multi-year reference period.

At the beginning of each tranche of conditionally granted Performance Shares, the Supervisory Board sets a target value and an upper and lower threshold value for the two aforementioned financial performance criteria on the basis of the strategic plan. To ensure that these targets do not fail to fulfill their incentive function, the Supervisory Board will use its due discretion to ensure that the targets are ambitious on the one hand but remain achievable for the Management Board member on the other. The degree of achievement of the two individual targets - sales growth and adjusted EBIT margin - is determined after the end of the performance period by comparing the actual value achieved with the target value (planned value). The actual value for sales growth is determined using the following formula:

$$CAGR = \left(\frac{Revenue_{Business\ Year\ n}}{Revenue_{Business\ Year\ 0}} \right)^{\frac{1}{n}} - 1$$

n = length of the relevant Performance Period in years

bb) Non-financial performance criteria (ESG-Target)

In addition to the financial development, the sustainable non-financial development of the company is of decisive importance for the long-term success of the company. A 20 % weighted portion of the LTI is based on the achievement of non-financial ESG performance targets derived from the Company's applicable sustainability

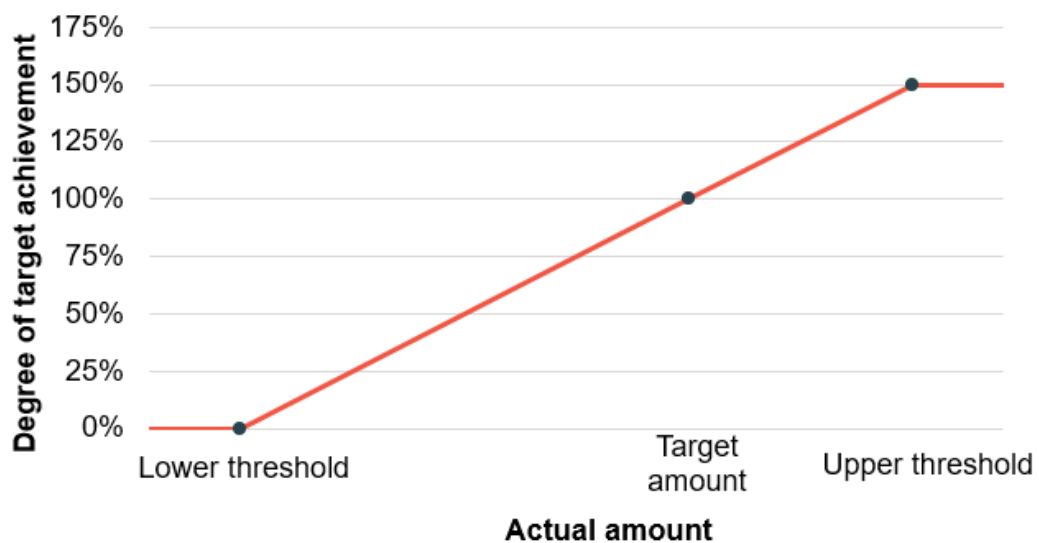
strategy. As with the STI, ESG performance targets may relate, for example, to a reduction in CO² emissions, efficient use of resources, use of sustainable resources, sustainable sourcing along the supply chain, improvement of customer satisfaction and/or employee satisfaction, promotion of diversity, employee training and development, occupational health and safety along the supply chain and/or certain compliance criteria. When defining the ESG performance target, the Supervisory Board determines not only the specific ESG performance target but also the method for measuring performance as well as the target value, a lower threshold value and an upper threshold value. The concrete target achievement can range from 0% to 150% and is explained in the remuneration report after the end of the relevant financial year. When setting the specific ESG performance target, the Supervisory Board ensures that it is measurable and transparent. If the selected ESG performance target cannot be measured or determined due to unforeseeable developments, the Supervisory Board may use an alternative key performance indicator that comes as close as possible to the original purpose. However, in line with the recommendation G.8 of the German Corporate Governance Code, the ESG performance target cannot be changed retroactively.

As with the STI, the Supervisory Board can also set strategic/conceptual or qualitative non-financial targets that are not measurable (e.g., the development or revision of a sustainability strategy, the improvement of reporting/transparency on ESG dimensions). If the Supervisory Board makes use of this option, it will decide on the degree of target achievement at its own discretion and disclose the main considerations for its decision in the remuneration report. In doing so, the Supervisory Board will select an assessment approach that makes the determination of target achievement objectively comprehensible.

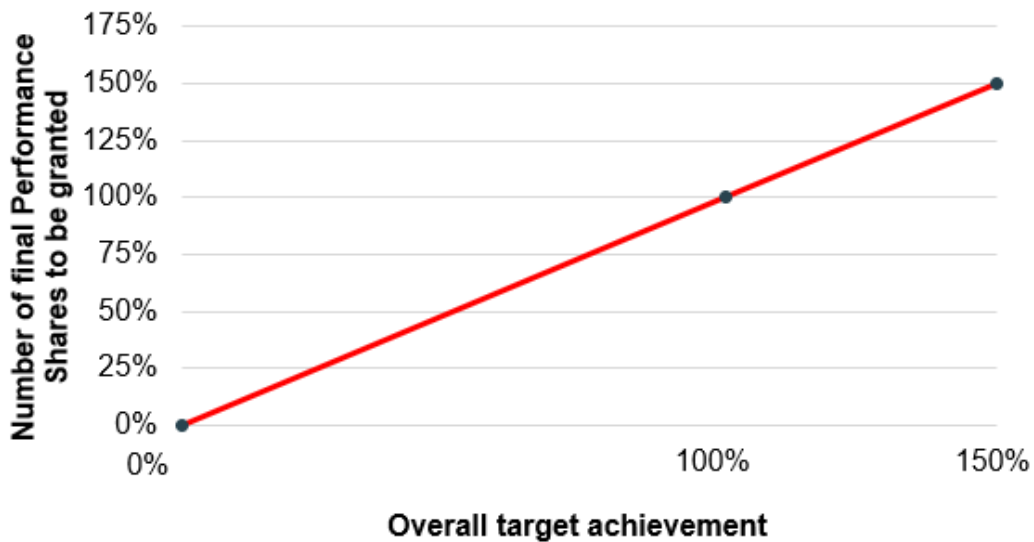
d) Determination of target achievement and payment modalities

The range of possible degrees of target achievement for the performance criteria for the LTI is between 0% and 150%. If the actual value corresponds to the target value defined by the Supervisory Board, the degree of target achievement for the performance criterion is 100%. If the actual value falls below the lower threshold defined by the Supervisory Board, the target achievement level for the performance criterion is 0%. If this is the case for all three performance criteria, the LTI and the granted Performance Shares will be forfeited completely. If the actual value reaches or exceeds the upper threshold defined by the Supervisory Board, the degree of target achievement for the performance criterion

is 150%. If an actual value between the lower threshold value and the target value is achieved, the degree of target achievement is determined by linear interpolation; the same applies if an actual value between the target value and the upper threshold value is achieved. The determination of the degree of target achievement depending on the actual value achieved can therefore be represented as follows:



The overall target achievement of the LTI component is calculated by multiplying the target achievement levels of the performance criteria by their respective weightings and then adding them up. The total target achievement for the Management Board members is capped at 150%, *i.e.* the number of conditionally granted Performance Shares can increase by a maximum of 150% as a result of the target achievement of the performance criteria.



The settlement or payment (in shares of the Company or in cash) made under the LTI is granted *pro rata temporis* in equal parts for all financial years of an overall commitment in the event of a sequential grant. The pro-rata total of the payout amounts (in shares of the Company or in cash) of the LTI component is also limited by the maximum remuneration (see under F.).

e) Replacement of the LTIP by a comparable LTI program

As an alternative to the LTIP described above, Management Board members may also be granted a purely virtual plan which essentially corresponds to the other parameters described under a) to d).

3. Adjustment of variable compensation components

In accordance with recommendation G.8 of the German Corporate Governance Code, subsequent changes to the target values or comparison parameters for variable compensation components are generally excluded.

However, in accordance with the recommendation in G.11 of the German Corporate Governance Code, the Supervisory Board has the possibility in justified rare special cases to take into account extraordinary developments within an appropriate framework. This may

lead to a reduction or an increase in the variable compensation that would otherwise result. Adjustments may therefore take into account developments that were not yet known or foreseeable when the target values were set and that have a significant impact on the total compensation of the members of the Management Board, for example M&A activities not included in the budget, unforeseeable changes in accounting standards or tax regulations, natural disasters, wars or pandemics. Generally unfavorable market developments or risks in the normal course of business are explicitly not covered by such exceptional cases. In making its decision, the Supervisory Board takes into account, among other things, the extent to which the Company, the shareholders and the employees are or will be affected by the exceptional developments. Any adjustments and their effects on the achievement of targets and payment of the variable compensation component concerned are reported in the remuneration report after the end of the relevant financial year.

D. Determination of the total target compensation

The Supervisory Board determines the annual total target compensation of a Management Board member in advance, taking into account not only an appropriate relationship to the duties and performance of the Management Board member but also the economic situation and the success and prospects of the Company. The Supervisory Board also ensures that the total target compensation is in line with market conditions. For this purpose, the Supervisory Board uses both a horizontal and a vertical benchmark.

I. Horizontal benchmark

In order to assess whether the remuneration is in line with the market, data from a suitable peer group of other companies is used, taking into account the particularities of the Company's market position, size, and business model in each case. The Supervisory Board therefore primarily selects German companies from the e-commerce and IT sectors and supplements these with other Central European companies from the aforementioned sectors. The focus is on companies whose number of employees, revenue, and market capitalization are comparable to the Company. The peer group comparison is used with caution and serves merely as a guide to ensure that there is no automatic upward trend in compensation.

II. Vertical benchmark

In addition, the Supervisory Board takes into account the development of the remuneration of the Management Board in relation to the remuneration of senior management (e.g. senior vice presidents and vice presidents) and the workforce (all employees including senior management) of the home24 Group in Germany. The corresponding ratio between the remuneration of the Management Board and the vertical peer group is also considered in the development over time.

III. Differentiation by function

The Management Board remuneration system leaves the Supervisory Board the flexibility to take into account the function and area of responsibility of the individual Management Board member when determining the amount and structure of the total target compensation. Function-specific differentiations - for example for the Chairman of the Management Board - are possible at the due discretion of the Supervisory Board, also taking into account criteria such as market conditions, qualifications, experience and length of service on the Management Board. For example, the remuneration of a member of the Management Board may be set at a lower overall level for the first term of office when appointed for the first time. These differentiation options, as well as fluctuations in the valuation of share-based compensation components due to the volatility of the selected peer groups and the share price when the compensation is granted, implies that the shares of the individual compensation components in the total target compensation in the compensation system need to be stated in percentage ranges.

E. Maximum limits of remuneration

Payment of the total compensation due to a member of the Management Board for a financial year is limited to a maximum of EUR 10 million per year for the Chairperson of the Management Board and EUR 7 million per year for an ordinary member of the Management Board (*cap* or maximum compensation). This includes the total of all compensation amounts paid for the respective financial year, i.e. in particular including fixed compensation, fringe benefits, short-term and long-term variable compensation. The possible capping of the amount exceeding the maximum amount occurs when the entitlements under the LTI tranche issued for the corresponding year are settled after the end of the holding period.

The aforementioned maximum amounts are not the total target compensation sought or deemed appropriate by the Supervisory Board, but merely absolute maximum limits

which can only be achieved if all ambitious performance criteria for variable compensation are met and there is a very significant increase in the share price and thus in the enterprise value of the Company. In addition, it must be taken into account that the vast majority of the compensation of the members of the Management Board is granted in the form of long-term variable compensation, the payout amount of which can conversely also fall to zero. The aim of the remuneration system for the Management Board members is thus also to allow the Management Board members to participate to a large extent in the opportunities and risks of the Company's development on a company-wide basis.

As the maximum remuneration is calculated on an annual basis, in the case of a one-time allocation of the LTI component for several years at the beginning of the service contract, where members of the Management Board receive the entire payment under the LTI at the earliest after a Waiting Period of several years, the amount actually received under the LTI of a Upfront Grant is divided equally by the maximum remuneration of the financial years during the term of the contract. On the basis of the *pro rata* amounts, the Supervisory Board can calculate the remuneration for a financial year in a comprehensible and transparent manner and ensure that the defined maximum remuneration for a financial year is not exceeded.

F. Malus and clawback provisions

The service contracts of the members of the Management Board contain provisions granting the Supervisory Board the right to withhold ("**Malus**") or claw back ("**Clawback**") variable compensation components in certain cases at its reasonable discretion. These cases include grossly negligent or intentional breaches of the duties of the members of the Management Board under Section 93 (1) of the German Stock Corporation Act (*AktG*) and the Management Board service contract, as well as serious breaches of internal compliance or behavioral guidelines, whereby the respective breach must be so serious that the Supervisory Board is entitled to revoke the appointment of the Management Board member. In addition, variable compensation already paid out must be repaid if the payment of variable compensation components to the member of the Management Board was made on the basis of incorrect data which must be subsequently corrected in accordance with the applicable auditing standards, in particular in the annual report or sustainability report. Repayment shall be made in the amount of the overpayment made to the member of the Management Board compared to the correct calculation basis.

For payments made in home24 SE shares, the value of the transferred home24 SE shares at the time of granting is decisive. The value of a transferred home24 SE share at the grant date corresponds, in the case of the LTI component, to the XETRA closing price of the home24 SE share on the exercise date less the base price.

Claims of the Company for damages, in particular under Section 93 (2) sentence 1 AktG, the right of the Company to revoke the appointment pursuant to Section 84 (3) AktG and the right of the Company to terminate the service agreement without notice (Section 626 (1) German Civil Code (*BGB*)) remain unaffected.

G. Crediting of remuneration for sideline activities of Management Board members

Any paid or unpaid secondary commercial activity of any kind, including membership in supervisory boards, advisory boards or similar bodies, as well as honorary activities within a company and the assumption of political functions, require the prior written approval of the Supervisory Board. As a matter of principle, approval is not granted for the assumption of more than two supervisory board mandates in non-group listed companies or comparable functions. The Supervisory Board can decide at its own discretion whether and to what extent the remuneration for approved secondary activities should be offset against the remuneration.

H. Commitments in connection with the commencement of service on the Management Board

Upon first-time appointment as a member of the Management Board, the Supervisory Board decides, at its dutiful discretion, to what extent and in what form - *e.g.* in cash or through LTIP Performance Shares - appropriate one-time payments customary in the market will be made. This leads to increased flexibility in the negotiations, which enables the Supervisory Board to negotiate specific terms of engagement in the best interests of the Company *e.g.* to compensate for claims from previous employment which a member of the Management Board loses through joining the Company.

I. Compensation-related legal transactions

The service agreements for the members of the Management Board are in each case concluded for the duration of the appointment. The initial appointment of Management Board members is for a maximum of three years.

There are no contractual commitments in the event of premature termination of Management Board activities. In the event of permanent incapacity to work on the part of a member of the Management Board, the service agreement of the respective member of the Management Board shall end at the end of the calendar quarter in which the permanent incapacity to work is established.

The Supervisory Board may provide that, in the event of a change of control, a special right of termination and a promise of payments following a change of control be agreed in the service agreements of the Management Board members. If such a special termination right is agreed, the members of the Management Board have the right to terminate their service agreement with three months' notice to the end of the month and to resign from the Management Board on the termination date. In this context, a change of control occurs in the following cases: A third party acquires at least 30% of the voting rights and thus reaches the mandatory offer threshold under the WpÜG; the Company concludes an intercompany agreement as a dependent company; or the Company is merged with another non-affiliated company. The special right of termination may only be exercised within two months of the completion of the change of control. If the special termination right is exercised, the amount of the payment promised in this connection is limited to a maximum of two years' total compensation, but at most to the compensation for the remaining term of the respective service agreement.

The Supervisory Board may provide for a post-contractual non-competition clause under which the Management Board members are prohibited from competing with the Company for a certain period after termination of their service agreements. In such cases, the Company shall pay the members of the Management Board compensation for the duration of the post-contractual non-competition clause in the amount of half of the fixed compensation last received by the Management Board member for one month. Any severance payments shall be offset against the compensation. The Company may waive the post-contractual non-competition clause at any time by written declaration, with the effect that it shall be released from payment of the severance payment upon expiry of six months from the declaration.

J. Temporary deviations

In accordance with the statutory provision of Section 87a (2) sentence 2 German Stock Corporation Act (*AktG*), the Supervisory Board may exceptionally and temporarily deviate from individual components of the remuneration system if this is necessary due to exceptional circumstances in the interests of the long-term well-being of the Company. This may be necessary, for example, to align the remuneration system in the event of a significant change in corporate strategy or a severe economic crisis and the Supervisory Board comes to the conclusion that the compensation granted on the basis of the remuneration system and the incentive structure achievable as a result do not appear to be in the best interests of the Company. In contrast, generally unfavorable market developments do not justify an adjustment.

A deviation from the remuneration system requires a Supervisory Board resolution which determines the circumstances underlying and necessitating the deviation. In this case, deviations from the Management Board remuneration system may be made with regard to the rules governing the procedure, the remuneration structure and amount, and the individual compensation components. In the event of a deviation, it must be ensured that the compensation granted continues to be aligned with the long-term sustainable development of the Company. Any deviation and the nature of the deviation shall be disclosed and explained in the remuneration report for the year concerned.

K. Application

This remuneration system applies to all new or extended Management Board service agreements concluded after the end of the annual general meeting of the Company on 14 June 2022.