

## Compensation of the Supervisory Board

Section 15 of the Articles of Association stipulating the remuneration reads as follows:

- (1) The members of the Supervisory Board shall receive a fixed compensation payable after the end of the fiscal year in the amount of EUR 50,000 (in words: Euro fifty thousand). The chairman of the Supervisory Board shall receive three times, his deputy one and a half times this amount.*
- (2) Serving members of the Supervisory Board's committees receive an additional compensation of EUR 20,000 (in words: Euro twenty thousand) as chairman of a committee and of EUR 10,000 (in words: Euro ten thousand) for other members of a committee.*
- (3) Members of the Supervisory Board who hold their office in the Supervisory Board or who hold the office as chairman only during a part of the fiscal year shall receive a corresponding portion of the compensation.*
- (4) In addition to the compensation paid pursuant to the foregoing paragraphs, the Company shall reimburse the members of the Supervisory Board for their reasonable out-of-pocket expenses incurred in the performance of their duties as Supervisory Board members as well as the value added tax on their compensation and out-of-pocket expenses.*
- (5) The Supervisory Board members shall be included, where existing, in a D&O liability insurance for board members maintained by the Company in the Company's interests that will provide reasonable coverage against financial damages. The premiums for this insurance policy shall be paid by the Company.*

The system underlying the Supervisory Board remuneration is as follows:

The Supervisory Board remuneration is purely a fixed remuneration in accordance with suggestion G.18 sentence 1 of the German Corporate Governance Code. No variable remuneration components exist.

The fixed remuneration currently amounts to EUR 50,000 per annum, with the chairman of the Supervisory Board receiving three times and his deputy one and a half times this amount. Furthermore, the chairman of a committee receives an additional annual remuneration of EUR 20,000 and every other member of a committee receives an additional amount of EUR 10,000. In accordance with recommendation G.17 of the German Corporate Governance Code, this arrangement appropriately takes into account the greater time commitment of the chairman and deputy chairman of the Supervisory Board and that of the chairman of committees and their members. No attendance fee is paid. There are no remuneration-related agreements between the Company and the members of the Supervisory Board going beyond the provisions of the Articles of Association.

There is no additional remuneration in the event of a departure of a Supervisory Board member or any arrangement for a remuneration after the mandate has ended. Supervisory Board members who were not active during the entire fiscal year will receive a pro rata remuneration.

JOST Werke AG reimburses Supervisory Board members for out-of-pocket expenses reasonably incurred in the performance of their duties as Supervisory Board members as well as any value added tax which may be payable on their remuneration and out-of-pocket expenses.

In addition, the members of the Supervisory Board are included in a D&O liability insurance for board members maintained by the Company and for which premiums are paid by JOST Werke AG.

The structure of the Supervisory Board remuneration, providing exclusively for a fixed remuneration, strengthens the independence of its members. In terms of amount, the remuneration for the members of the Supervisory Board is in line with market standards as shown by the remuneration of members on supervisory boards of other listed companies in Germany. Thus, the long-term development of JOST Werke AG is promoted by the remuneration for the members of its Supervisory Board.

The Supervisory Board reviews at regular intervals, but at least every four years, whether the remuneration of its members is still appropriate to their tasks and the situation of the Company. The Supervisory Board may perform a horizontal market comparison and/or a vertical comparison with the remuneration of the Company's employees. As a rule, in view of the special work performed by the Supervisory Board, no vertical comparison with the remuneration of the Company's employees is used when the Supervisory Board remuneration is reviewed. Depending on the result of the review, the Supervisory Board may, together with the Executive Board, submit a proposal for an adjustment of the Supervisory Board remuneration to the Annual General Meeting.

The rules for dealing with conflicts of interest set out in the rules of procedure for the Executive Board and the Supervisory Board will be complied with in the procedures for determining and implementing as well as reviewing the remuneration system.

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