Annex to agenda item 8: Remuneration system for members of the Management Board

I. Objectives and comprehensive overview

The remuneration system for the Management Board provides incentives for successful implementation of the corporate strategy and sustainable and long-term development of the Company. When determining the remuneration, the Shareholder Committee follows the principle of granting compensation which is in-line with market standards and competitive as well as individually appropriate to the requirements and performance profile of the individual Managing Directors, which is proportionate to the size of the Company and to its business and earnings situation and which avoids excessive risks being taken.

To this end, the remuneration system – with its two performance-related components – is bound to important operating indicators that reflect the Company's success and are included in the financial performance indicators for the corporate management. This ensures that the remuneration is linked to the long-term economic development of the Company and that the interests of the Management Board align with those of the shareholders. In addition, aspects of corporate social responsibility (Environmental, Social & Governance, "ESG") are taken into account. To this end, the remuneration system is closely linked to the ESG sustainability strategy of the Company. The targets for the remuneration system are reviewed annually by the Shareholder Committee and set at a demanding level, in accordance with the corporate strategy and planning. The chief concern is for the Company's growth to outstrip that of the market as a whole. In addition, within the performance-related remuneration, each year the Shareholder Committee sets special (prioritised) targets, which are in part addressed individually to the individual Managing Directors.

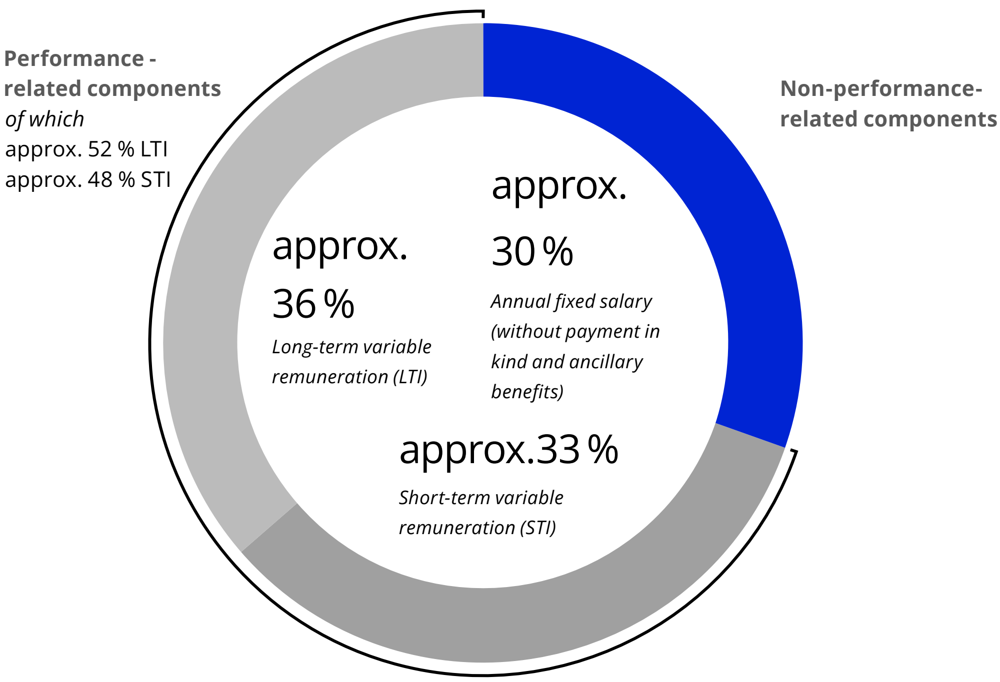
The individual remuneration of the Managing Directors consists of three components:

- non-performance-related fixed remuneration (plus non-performance-related benefits in kind, other ancillary benefits and pension commitments),
- an annual performance-related component (short-term incentive, "STI") and
- a long-term incentive ("LTI").

The performance-related remuneration components are subject – individually and jointly – to a maximum limit ("Cap"). In addition, the Shareholder Committee may adjust the performance-related remuneration at its discretion until the date of payment, in particular to account for extraordinary developments. In addition, there are scenarios where repayment can be demanded ("clawback").

If the targets set by the Shareholder Committee are 100% achieved, the STI will be 1.1 times, and the LTI will be 1.2 times, the annual fixed salary ("target remuneration"). If the target remuneration is achieved, both performance-related remuneration components each outweigh the fixed remuneration, which reflects the incentive-driven approach of the remuneration system. In this case, the share of the long-term component predominates within the performance-related remuneration, which expresses the particular importance of sustainable corporate development.

Weighting of the individual target remuneration components
(based on annual target remuneration)



As an overview, the remuneration system can be summarised as follows:

	Component	Objective
Non-performance-related components	**Annual fixed salary** (approx. 30% of annual target remuneration) ■ Paid in 12 monthly instalments. ■ Reviewed annually for appropriateness.	Ensures an appropriate basis income in order to prevent the taking of inappropriate risks.
	Remuneration in kind and other ancillary benefits ■ In particular the possibility of using the company car for private purposes, inclusion in the Group's D&O insurance and assumption of work-related expenses for maintaining a second household.	Assumption of expenses promoting management activities as customary on the market.
Performance-related components	**Short-term variable remuneration (STI)** (approx. 33% of annual target remuneration) ■ One-year bonus as a multiple (1.1 times with 100% target achievement) of the annual fixed salary depending on the degree to which certain targets are reached: - Operating KPIs (50-70% of STI): EBT (70%) and OFCF (30%). - Special (prioritised) targets (30-50% of STI) consisting of collective/team targets and individual targets, set anew each year. - Target remuneration at 100% target achievement: 1.1 times the annual fixed salary. - Cap at 300% target achievement: 3.3 times the annual fixed salary - Intended changes applicable as from fiscal year 2024: - Replacing the operating KPIs EBT and OCFC by Operating Income and Net Cash Flow, respectively. - New cap at 200% target achievement: 2.2 times the annual fixed salary	Incentive to achieve the corporate targets for the current fiscal year while simultaneously promoting implementation of strategic priorities.
	Long-term variable remuneration (LTI) as from the fiscal year 2023 (approx. 36% of annual target remuneration) ■ Bonus with two equally weighted components with four-year reference period, the amount of which is calculated as a multiple (1.2 times for 100% target achievement) of the annual fixed salary and depends on the degree of target achievement for four performance indicators in fiscal years 2 and 3 of the reference period. ■ Relevant performance indicators: - Internal financial key figures (75% of LTI): OFCF (45 %) and EBIT margin (30%). - ESG targets (25 % of LTI): Promotion of gender diversity (10%) and CO_2 reduction (15%). - Lower limit for inclusion of the individual performance indicator in the overall target achievement: 50% target achievement level. ■ Payment in cash after the end of the calculation period. ■ Target remuneration at 100% target achievement: 1.2 times the annual fixed salary. ■ Cap at 200% target achievement: 2.4 times the annual fixed salary. ■ Intended changes as from fiscal year 2024: Replacing the internal financial key figures OFCF and EBIT margin by Net Cash Flow and Operating Income margin, respectively.	Multi-year calculation period rewards long-term and sustainable value creation and penalises negative developments. Holding period ensures that the Management Board can only dispose of the two LTI components after a total of four years. Financial targets take account of sustainable value creation interests of shareholders. Ensures the linkage of the remuneration system with the ESG sustainability strategy.
End-of-service payments	**Settlement upon dismissal prior to the end of the term of the service agreement** ■ If the Managing Director has not given cause for termination, the total of annual fixed salary and STI for the remaining contractual period, but for no more than two years, will be paid as settlement; LTI instalments already allocated will be reduced pro rata temporis and paid at the end of the reference period.	Settlement cap serves to avoid inappropriately high settlement.
	Post-contractual non-competition clause - Duration between 12 and 24 months, agreed on an individual basis. - Non-competition compensation of 50% of the annual fixed salary fixed netted against settlement and pension payments and earnings from any other activities. - Waiver of non-competition clause by Company possible; non-compete compensation will then no longer apply.	Protection of the Company's interests by preventing employment immediately afterwards at major competors.

	Component	Objective
Further provisions on remuneration	**Pension commitments and comparable long-term obligations** - Defined contribution capital account system to which a percentage 40 - 50% of the annual fixed salary is allocated each year as financing contribution. - Optional payment of contributions by the Managing Director (deferred compensation).	Provision of contributions to build up adequate company pension arrangements.
	Caps and maximum remuneration - Cap on payment of LTI and STI (seen together) at six-fold amount of the fixed salary (relevant, in addition to the individual caps, for current LTI tranches from previous fiscal years). - Maximum remuneration that comprises all remuneration components: - For the CEO: currently €9,500 thousand. - Other members of the Management Board: currently €5,000 thousand.	Serves to provide non-discretionary means of avoiding inappropriately high payments.
	Adjustment and reclaim possibilities (clawback) - Discretionary possibility for the Shareholder Committee to correct all variable remuneration components. - Possibility to reclaim or retain variable remuneration in the event of grossly negligent or intentional breach of duty of care.	Ensures appropriateness of the variable remuneration and penalises serious compliance breaches (malus).
	Special commitments ■ Shareholder Committee may, in individual cases, grant special benefits within reasonable limits (e.g. sign-on bonuses) to Managing Directors upon assuming their position.	Serves to attract qualified candidates for the position as Managing Director.

II. Procedure for determining and reviewing the remuneration system

The legal form of HELLA GmbH & Co. KGaA gives rise to a particularity: it is not the Supervisory Board that is responsible for the remuneration of the Management Board; instead, this is the duty of the Shareholder Committee. According to the Articles of Association, it is incumbent upon the Shareholder Committee to regulate the legal relations between the Company and the General Partner – insofar as said relations are not explicitly governed by the Articles of Association or the law – by means of agreements. It is also responsible for regulating the employment relationships of the Managing Directors of the currently sole General Partner, Hella Geschäftsführungsgesellschaft mbH. This gives the Shareholder Committee full responsibility for determining the remuneration system of the Management Board.

The Shareholder Committee is supported by its Personnel Committee, which currently has three members (the Chairman of the Shareholder Committee and two additional members elected by the Shareholder Committee). The Personnel Committee prepares the resolutions of the Shareholder Committee on the appointment and removal of Managing Directors as well as on the remuneration system and on the Managing Directors' individual total remuneration. Both in the Personnel Committee and in plenary with the Shareholder Committee, the rules generally applicable to handling conflicts of interest apply. These include the rule laid down in the rules of procedure, which obliges each of the committee members to disclose conflicts of interest to the Shareholder Committee. In addition, remuneration topics are regularly discussed and decided in the Personnel Committee and in plenary with the Shareholder Committee without the participation of the Management Board. The committees call in external expertise to the extent that they deem necessary, whereby, in the event that a remuneration expert is brought in, due attention is paid to his/her independence from the Management Board and the Company. To assess whether the annual target remuneration is in line with customary market practice, the Shareholder Committee looks to studies performed and insights on the remuneration of management boards of European and German stock-listed companies of similar size as a basis for comparison ("peer group"). The Shareholder Committee also takes the ratio of the remuneration of the Managing Directors to the remuneration of the senior management and the workforce into accountwhendetermining the level of remuneration.

III. Remuneration components

A) Annual fixed salary, remuneration in kind as well as other ancillary benefits

The non-performance-related remuneration component consists of an annual fixed salary and remuneration in kind as well as other ancillary benefits.

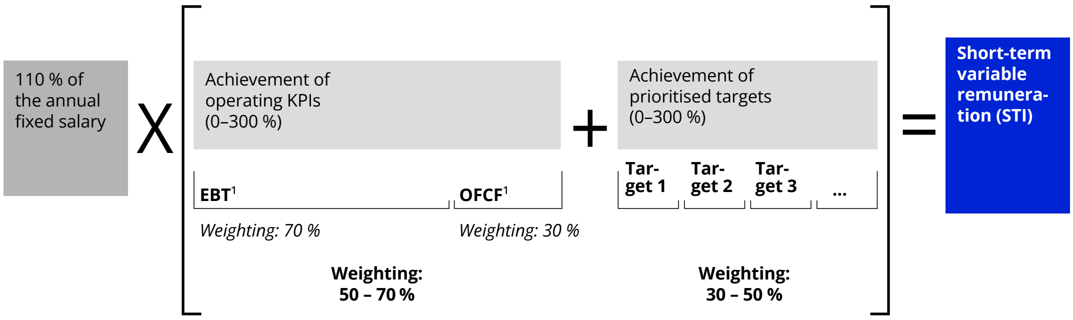
The annual fixed salary is paid in 12 equal monthly instalments. The amount of the fixed salary reflects the role of the Managing Director within the Management Board as well as the experience, area of responsibility and market conditions. The Shareholder Committee reviews the suitability of the fixed salary on an annual basis.

The remuneration in kind and other ancillary benefits consist in particular of the private use of a company car and the assumption of work-related expenses for maintaining a second household. Furthermore, all the Managing Directors in their capacity as members of the Company's governing bodies are covered by the Group's D&O insurance. In the event of any claim, they are responsible for a deductible of at least 10% of the loss capped at one-and-a-half times their fixed salary.

B) Short-term variable remuneration ("STI")

Short-term variable compensation (STI) aims to incentivize the achievement of corporate targets for the current fiscal year while promoting the implementation of strategic priorities. It is calculated depending on the degree to which certain objectives are achieved, which are divided into the categories of "operating key performance indicators" and "special (prioritised) objectives". The target remuneration of the STI is 1.1 times the annual fixed salary. This is determined by the fixed salary at the beginning of the respective fiscal year. Said remuneration is paid out on one occasion in the fiscal year. In the case of new hires or resignations during the year, the STI is granted pro rata temporis.

Composition of Short Term Incentive (STI)



[1] As from fiscal year 2024 the Shareholder Committee intends to use as operating key performance indicators Operating Income (instead of EBT) and Net Cash Flow (instead of OFCF).

Operating key performance indicators

The operating KPIs incorporate (i) the HELLA Group's earnings before taxes (EBT) and effects on earnings from the restructuring for the fiscal year in question adjusted for special effects (extraordinary expenses and income reportable in the consolidated financial statements under § 277(4) HGB (old version)) with a weighting of 70% and (ii) the operating free cash flow (OFCF) prior to effects of the restructuring on earnings with a weighting of 30%. The OFCF is calculated after investments and divestments (procurement and disposal of property, plant and equipment and intangible assets) and does not include company acquisitions.

As from fiscal year 2024, the Shareholder Committee intends to use, instead of EBT, the HELLA Group's earnings before interest and taxes (EBIT) excluding the contribution to earnings of associates and joint ventures, adjusted for restructuring and special effects (extraordinary expenses and income) ("Operating Income"). Instead of OFCF, free cash flow from operating activities including interest payments ("Net Cash Flow") shall be used.

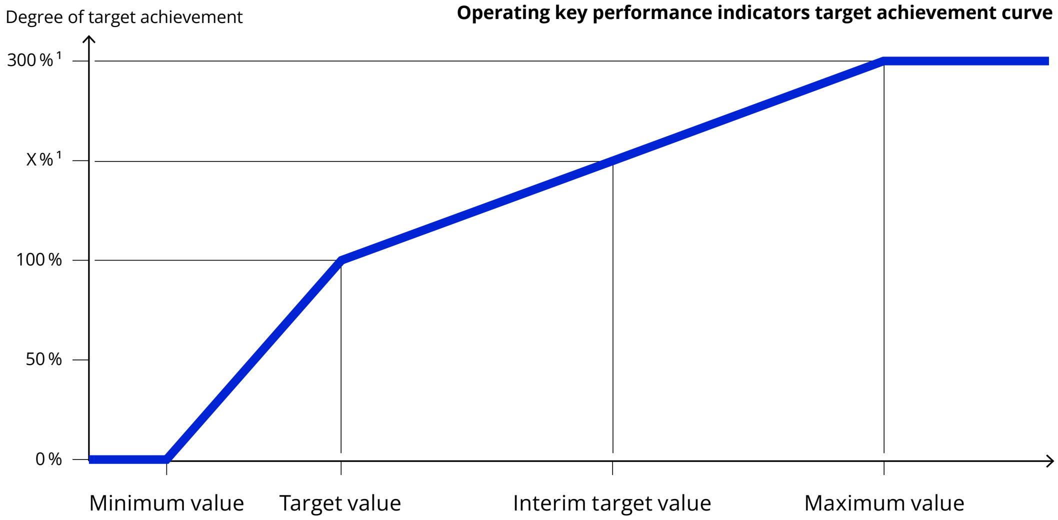
The degree of achieving the operating KPIs to be ascertained by the Shareholder Committee can be between 0 and 300%.

Prior to the start of each fiscal year, the Shareholder Committee sets ambitious minimum, target and maximum values for the operating KPIs, which it regularly reviews on the basis of the corporate planning and on performance of HELLA GmbH & Co. KGaA. At its reasonable discretion, the Shareholder Committee is entitled to change or redefine the operating KPIs applied with effect for following fiscal years.

The respective target achievement level is derived from the minimum, target and maximum values which have been established. Intermediate values are determined by linear interpolation and the degree of target achievement thus determined is rounded to full percentage points, in accordance with standard commercial practice.

Starting in fiscal year 2024, the Shareholder Committee intends to lower the contractual cap for the target achievement level to 200% and to agree on a contractual right for the Shareholder Committee to set additional interim target values (e.g., 150%) at its reasonable discretion.

The following Figure provides a schematic representation of the resulting target achievement curve:



[1] *As from fiscal year 2024 the Shareholder Committee intends to lower the maximum level of target achievement to 200% and to introduce a contractual right for the Shareholder Committee to set interim target values at its reasonable discretion.*

Special (prioritised) objectives

In addition, the Shareholder Committee can also define special ("prioritised") targets for the Management Board which, on the basis of a target agreement with the management, also encompass qualitative parameters and are composed of collective/team targets – which apply equally to all members of the Management Board – and individual targets. These prioritised targets may be incorporated – as the Shareholder Committee sees fit – into the STI calculation with a total weighting of between 30 and 50%, in which case, the weighting of the operating key performance indicators is reduced accordingly.

In the context of an overall assessment performed by the Shareholder Committee on the degree of achievement of the prioritised targets, the determined value can be between 0 and 300%. Starting in fiscal year 2024, the Shareholder Committee intends to lower the contractual cap for the target achievement level to 200%.

C) Long-term variable remuneration (long-term incentive, "LTI")

The long-term variable remuneration (long-term incentive, LTI) is also paid in cash and calculated as a multiple of the annual fixed salary. This is determined by the fixed salary at the beginning of the respective fiscal year. LTI instalments allocated as from the fiscal year 2023 are calculated as follows. The calculation and payment of LTI instalments allocated for fiscal years prior to fiscal year 2023 shall be carried out in accordance with the remuneration system that applied at the time of the respective allocation.

The LTI will be granted consisting of two equally weighted LTI components each having a four-year reference period with either a two-year calculation period (LTI component 1) or with a three-year calculation period (LTI component 2). Payment will be made for both LTI components only after the end of the entire four-year reference period. In each case, the performance indicators for measuring the Company's success include the development of the Company's operating free cash flow (OFCF) and EBIT margin as well as the level of achievement of two ESG targets (reduction of CO_2 emissions and the promotion of gender diversity within the Company). As from fiscal year 2024, the Shareholder Committee intends to use, instead of the internal financial KPIs OFCF and EBIT margin, the KPIs Net Cash Flow and Operating Income margin, respectively.

120 % of the annual fixed salary X Overall degree of target achievement [**0.5 x LTI component 1** (2-year calculation period, 2-year vesting period) + **0.5 x LTI component 2** (3-year calculation period, 1-year vesting period)] = **LTI payment amount**

Target achievement (0 %-200 % for each performance indicator)

75 % internal financial key performance indicators

45 % OFCF[1]

30 % EBIT margin[1]

25 % ESG

10 % promotion of gender diversity

15 % CO_2 reduction

Fiscal year 1 | Fiscal year 2 | Fiscal year 3 | Fiscal year 4 | Payment year

[1] As from fiscal year 2024 the Shareholder Committee intends to use as financial key performance indicators Operating Income margin (instead of EBIT margin) and Net Cash Flow (instead of OFCF).

1. Performance Indicators

Operating free cash flow (OFCF) (as from 2024: Net Cash Flow)

OFCF is defined as adjusted free cash flow from operating activities (operating free cash flow after investments and divestments (procurement and disposal of property, plant and equipment and intangible assets) and does not include company acquisitions). For Net Cash Flow, which shall be used as from fiscal year 2024, the definition described above in the context of the short-term variable compensation shall apply.

EBIT margin (as from 2024: Operating Income margin)

The EBIT margin is calculated by dividing the adjusted consolidated operating income before interest and taxes (based on portfolio-adjusted consolidated sales, adjusted for special effects) by the HELLA Group's sales. For Operating Income margin, which shall be used as from fiscal year 2024, the same starting value shall be used as described above in the context of the short-term variable compensation. This value is set in relation to the portfolio-adjusted sales of the HELLA Group in order to determine the relevant margin.

ESG targets: gender diversity and CO_2 reduction

The ESG targets are expressed as indirect financial targets ("IFTs") within the framework of the corporate management. The ESG targets serve the promotion of gender diversity (increasing the percentage of women among managers and professionals) and the reduction of CO_2 emissions (on the basis of an agreed CO_2 roadmap). The actual values for the two ESG targets are set by the Shareholder Committee before the start of the reference period of each LTI instalment.

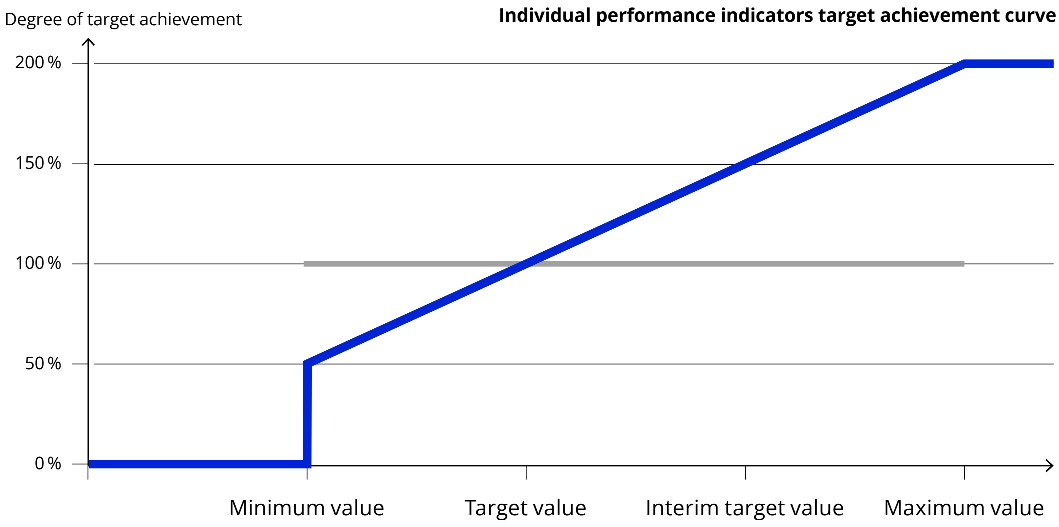
2. Calculation methods

The individual LTI instalment, consisting of two equally weighted LTI components, is granted depending on the Company's success.

The overall degree of target achievement for the individual LTI component is derived from the weighted sum of the target achievement levels for the four performance indicators over a calculation period of two years (LTI component 1) or one of three years (LTI component 2). In this context, the individual performance indicators are weighted as follows:

- OFCF (as from 2024: Net Cash Flow) * 45%
- EBIT margin (as from 2024: Operating Income margin) * 30%
- Gender diversity * 10%
- CO_2 reduction * 15%

The level of target achievement of the individual performance indicators for each LTI component is determined based on the minimum, target, and maximum values set by the Shareholder Committee before the start of the reference period. The Shareholder Committee may also, at its reasonable discretion, set further interim target values for certain degrees of target achievement (e.g. 150%). Intermediate values are determined by linear interpolation and the degree of target achievement thus determined for each performance indicator is rounded to full percentage points, in accordance with standard commercial practice. The performance of each individual indicator is taken into account for the determination of the overall degree of target achievement only if the degree of target achievement is at least 50% (minimum target), and the degree of target achievement for the individual performance indicator is capped at a target achievement level of 200% (maximum target). This results in the following schematic target achievement curve of the individual performance indicators:



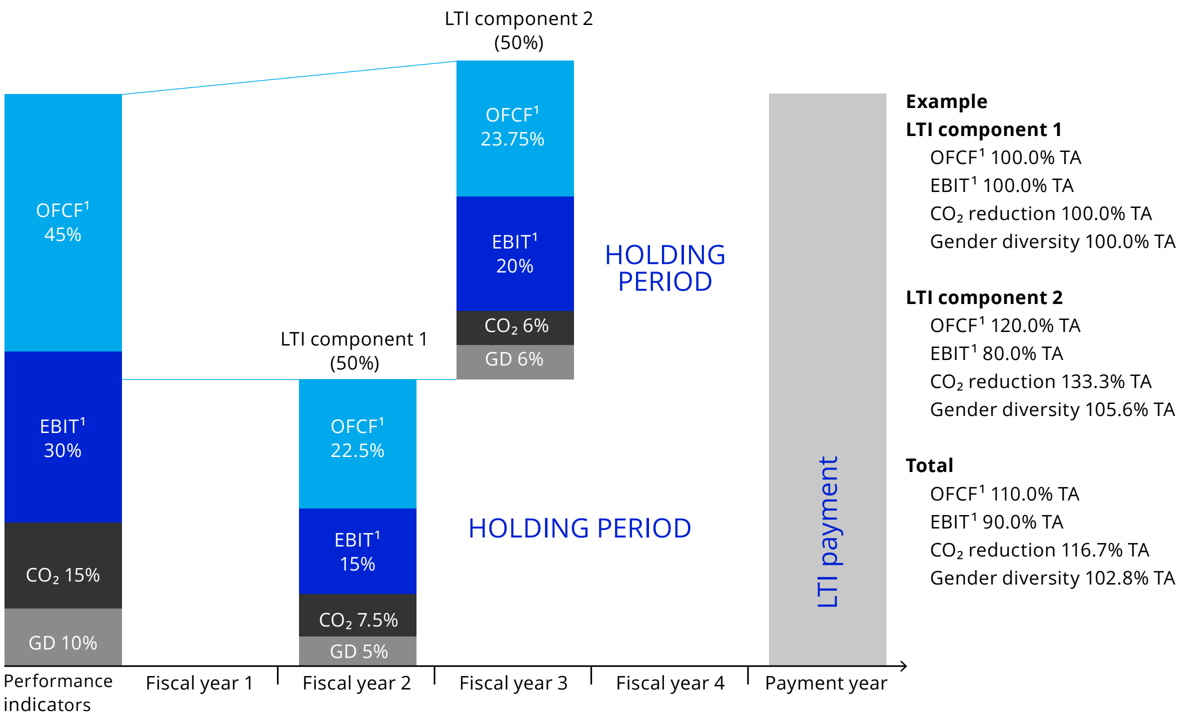
The LTI target amount, i.e. the LTI amount to be paid out at the end of the four-year reference period if overall target achievement is 100% (target value), is 60% of the annual fixed salary for each of the two LTI components, i.e. altogether a total of 120% of the annual fixed salary. Accordingly, the LTI amount for both LTI components is determined by multiplying the overall target achievement level by 0.6 times the annual fixed salary.

The two LTI components are paid out to the Managing Directors after the end of the reference period, which comprises a total of four fiscal years, meaning that a vesting period of two years applies to the amount payable from LTI component 1 and a vesting period of one year applies to the amount payable from LTI component 2.

The following chart provides a schematic representation of the calculation of the total amount of the long-term variable remuneration (LTI) to be paid after the end of the fourth fiscal year depending on the Company's success based on the defined performance indicators for the two LTI components.

Schematic representation of the LTI calculation

100% target achievement vs. example with full target achievement (total 105.75%)



[1] As from fiscal year 2024 the Shareholder Committee intends to use as financial key performance indicators Operating Income margin (instead of EBIT margin) and Net Cash Flow (instead of OFCF).

3. Reductions in the event of joining or leaving during a fiscal year and upon termination of service agreement

In the event of joining or leaving during fiscal year 1 or in the event of fiscal year 1 lasting less than 12 months, the LTI instalment commencing in this fiscal year shall be granted pro rata temporis (e.g., in the event of membership only from the second half of a fiscal year in the amount of 50%) and, if necessary, further reduced in accordance with the principles set out below.

If a member of the Management Board leaves the Company, the LTI amounts already allocated expire in full upon departure for periods after the date of termination of the service agreement if (i) the relevant agreement is terminated for an important reason for which the Management Board member is responsible within the meaning of § 626 of the German Civil Code (Bürgerliches Gesetzbuch – BGB), or (ii) the member of the Management Board terminates the service agreement or requests an early termination agreement or refuses to conclude a new service agreement offered by the Company on equal or improved terms without an important reason for which the Company is responsible within the meaning of § 626 BGB being given. In addition, the LTI payment amount will be reduced proportionately if at the time of departure more than 12 months of the reference period are missing for a certain LTI instalment. In this case, the LTI payment amount is reduced for each additional missing month of the relevant reference period beyond the 12 months (rounded down to full months).

D) Pension commitments and comparable long-term obligations

In addition to the fixed remuneration and the variable remuneration components, the Company provides the Managing Directors with pension benefits in order to promote the establishment of an adequate company pension plan. With respect to the Managing Directors of Hella Geschäftsführungsgesellschaft mbH, the Company uses a defined contribution pension plan to which it allocates a certain amount each year for the respective Managing Director. This amounts to between 40% to 50% of the annual fixed salary, whereby the fixed salary applicable on 1 June of the year is decisive. The financing year begins on 1 June of each year and ends on 31 May of the following year. If the service agreement begins or ends in the course of the financing year, the Managing Director receives a financing contribution on a pro rata temporis basis. Upon pension eligibility arising, the accrued capital is paid either in a single lump sum or – subject to the Company's approval – in instalments over a maximum period of eight years. The contributions to the capital account system may be invested externally in one or more investment funds. The return here is based on the performance of the investment assets in question. A minimum interest rate, which is currently 4.5% per annum, is granted in all cases. As a general rule, the capital account is dissolved on 31 May of the year following the Managing Director's 58th birthday. Eligibility for payment only arises once the Managing Director has left the Company. This period may be extended at a Managing Director's request and subject to the Company's approval.

Pension eligibility also arises in the event of full or partial loss of earning capacity, protracted disability due to illness or upon death predating the Managing Director's contractual date of eligibility. In this case, the capital is paid either in a single lump sum or – subject to the Company's approval – in instalments over a maximum period of eight years to the beneficiaries nominated by the Managing Director.

In addition to the pension plan funded by the Company, the Managing Directors of Hella Geschäftsführungsgesellschaft mbH are free to participate in a further asset-linked pension plan. In this case, capital is accumulated in the form of an individually defined deferred compensation component on the part of the Managing Director and largely follows the rules applicable to the asset-linked pension plan funded by the Company. The minimum interest rate in this model is currently 2.25% per annum.

IV. Remuneration thresholds (“Cap”) and maximum remuneration

The Company has defined a remuneration cap under which the annual STI and LTI payments, seen together, are subject to a maximum equaling six times the applicable annual fixed salary. The fixed salary at the time of payment is decisive. This cap supplements the maximum limits that result from the maximum values for the target achievement levels for STI and LTI individually.

In addition, in accordance with §§ 278 (3), 87a (1) sentence 2 no. 1 AktG, the Shareholder Committee has defined a maximum amount of remuneration. It includes all remuneration elements (in particular also ancillary and other benefits as well as pension commitments) of a single fiscal year and currently amounts to € 9,500 thousand for the Chairman of the Management Board and € 5,000 thousand for the other members of the Management Board. For the variable remuneration components, such as the contractual cap, the maximum remuneration follows from a payment-related approach.

Both the cap and the maximum compensation supplement the individual adjustment and recovery options on a case-by-case basis described below by ensuring that inappropriately high payouts are avoided, irrespective of discretion.

V. Adjustment and reclaim possibilities (“clawback”)

The Shareholder Committee of HELLA GmbH & Co. KGaA may at its own discretion make a positive or negative adjustment to all variable remuneration components if it is of the opinion that the calculation of the variable remuneration component is not in line with the Company's business performance because of extraordinary effects. The achievement of the strategic targets (including the non-financial objectives, such as the HELLA environmental policy) of HELLA GmbH & Co. KGaA must also be taken into account.

Furthermore, in the event of a deliberate or grossly negligent breach of duty of care committed by a Managing Director, the Company reserves the right to claim back or refuse to pay out the variable remuneration components granted to this Managing Director for the fiscal year 2020/2021 or subsequent fiscal years (“clawback”). These contractually agreed reclaim possibilities supplements any legal claims which may exist.

The aforementioned instruments serve in particular to ensure the appropriateness of the variable remuneration and enable sanctions to be imposed in individual cases for serious compliance violations ("malus").

VI. Term of contract and termination benefits for Managing Directors

The term of the contracts is aligned with the term of the appointments. The employment relationship ends automatically at the end of the month in which the statutory retirement age is reached, but no earlier than the end of the month in which the Managing Director reaches the age of 65. Furthermore, the employment relationship automatically ends three months after the end of the month in which the permanent disability of the Managing Director is determined.

A) Loss of earning capacity or death

In the event of illness-related disability, the fixed salary or the difference over sickness benefits will be paid for up to 18 months. In the case of death, the eligible beneficiaries receive the deceased Managing Director's fixed salary for a period of three months commencing with the month of death.

B) Settlement

If the Company revokes the appointment prior to the date of expiry of the service agreement, the service agreement can be terminated prematurely under exceptional circumstances. In cases in which the service agreement is terminated for material reasons for which the Managing Director is not responsible, a settlement of two times his/her annual remuneration or, if the residual term of the service agreement is less than two years, a time-proportionate amount of the settlement is paid. This restriction on the settlement payment amount aims at avoiding unreasonably high settlement payments. For the purpose of calculation, the annual remuneration equals the sum total of the fixed annual salary plus short-term variable annual remuneration less remuneration in kind and other ancillary benefits for the last full fiscal year prior to the termination of the appointment. This remuneration is to be offset against any non-compete compensation. In addition, a subsequent payment of apportioned LTI base amounts will be made, although they will be reduced pro rata based on the remaining part of the reference period. In certain cases, the LTI instalments not yet due for payment lapse completely upon exit ("bad leaver"). See Section III. C) above under "Reductions upon termination of service agreement".

C) Change of control

In order to maintain the independence of the members of the Management Board in takeover situations, the same settlement payment provisions have previously also applied in the event of a change of control. In this case, a Managing Director was able to resign from his/her post and give notice on the service agreement for good cause by the end of the sixth calendar month after a change of control, with effect from the end of the ninth calendar month. In this case, there was no termination of the long-term variable remuneration as described above in Section III. C) under "Reductions upon termination of the service agreement". Until the resignation had taken effect, the Managing Director had to support the Company in all matters relating to the change of control, acting to the best of his/her ability and working in the interests of the Company.

A change of control within the meaning of the service agreement for managing directors was given if a third party or several jointly acting third parties who do not belong to the family shareholders of HELLA GmbH & Co. KGaA

- acquire more than 50% of the Company's voting share capital,
- bring the Company under its control by entering into a controlling agreement or
- appoint and dismiss, in any other way, the majority of the members of the Company's executive bodies and/or their personally liable partners without the consent of family shareholders.

With the acquisition of 80.59% of the share capital and voting rights in HELLA GmbH & Co. KGaA by Faurecia Participations GmbH (now Forvia Germany GmbH), a subsidiary of Faurecia SE, on 31 January 2022, such a change of control took place. Since the family shareholders are thus no longer the majority shareholders, no further change of control within the meaning of the aforementioned definition can occur in the future. Service agreements concluded after 31 January 2022 therefore no longer contain a special right of termination for the event of a change of control.

For the agreements of members of the Management Board concluded prior to that date and containing a change of control clause that was triggered by the takeover described above, the Shareholder Committee may decide at its reasonable discretion to extend or postpone the exercise period for the extraordinary right of termination so triggered if this serves to keep at the Company members of the Management Board with a right of termination.

D) Post-contractual non-competition clause

Furthermore, the Managing Directors are subject to a post-contractual non-compete clause, which is intended to protect the Company's interests by preventing the Managing Directors from taking up subsequent employment with major competitors of HELLA GmbH & Co. KGaA. The term of the post-contractual non-competition clause is be agreed on an individual basis and varies between 12 and 24 months. During the period of the prohibition of competition, the Managing Director receives non-compete compensation in the amount of 50% of the last annual fixed salary, with any compensation for early termination of the contract and other income from work to be credited during the non-competition period. The compensation is paid monthly. The total amount of the non-compete compensation is credited to a pension commitment owed by the Company (see Section III. D) above). Prior to the end of the service agreement, in individual cases, the Company may waive the post-contractual non-compete clause. As a result, the compensation is only payable for a period of six months from the date of said clause being waived. If the service agreement ends on reaching the statutory retirement age or by a termination declared by the Company for good cause, the Company will immediately be released from the obligation to pay compensation if it has waived the stipulation of complying with the non-compete clause before or at the same time as the end of the employment contract.

VII. Special commitments to new members of the Management Board

The Shareholder Committee may, in individual cases, make special commitments within reasonable limits to attract qualified candidates for the position as Managing Director of HELLA. Special commitments may, for example, consist of payments at the time of entry (sign-on bonuses), the assurance of guaranteed target achievement levels or payout amounts for STI and/or LTI, or financial compensation for remuneration or pension claims against previous employers forfeited as a result of the transfer to HELLA.

VIII. Recognition of remuneration for work on supervisory boards or similar bodies

The assumption of Supervisory Board and similar mandates in the professional sector requires the prior approval of the Shareholder Committee. If members of the Management Board hold positions on the management or executive board, or on Supervisory Board mandates or similar mandates within the Group as well as in offices in associations or similar organisations, any remuneration granted as part of such will be counted against the annual fixed salary. In the case of other mandates, in particular those outside the Group, the Shareholder Committee determines a deduction on a case-by-case basis. In particular, it takes into account the extent to which the Company has to dispense with the individual labour of the Managing Director as a result of the mandate being assumed.

IX. Temporary deviation from the remuneration system

In exceptional case, the Shareholder Committee may temporarily deviate from the remuneration system and its components (including the procedure and the provisions on the remuneration structure), as well as from the conditions of individual remuneration components or may introduce new remuneration components if this is necessary in the interest of the long-term well-being of the Company, in particular in cases of corporate crisis, in the event of a restructuring of the Company or in the event of far-reaching changes in the economic framework conditions. The deviation requires a resolution of the Shareholder Committee in which the exceptional circumstances and the necessity of a deviation must be established. The discretionary possibility for the Shareholder Committee to correct all variable remuneration remains unaffected.