

ZUMTOBEL Group

Remuneration Policy for the Members of the Supervisory Board of Zumtobel Group AG

1. Principles of the remuneration policy

The following principles for the remuneration (“Remuneration Policy“) of the members of the Supervisory Board of Zumtobel Group AG elected by the general meeting were approved by a resolution of the Supervisory Board on 22 June 2020. These principles are intended for application after presentation to the 44th general meeting of Zumtobel Group AG.

In accordance with § 98a in connection with § 78b (1) of the Austrian Stock Corporation Act, the Remuneration Policy must be presented to the general meeting for voting at least every fourth financial year and also in the event of material changes.

2. Goals

The remuneration for the Supervisory Board members should reflect the scope of activities and responsibility. It should also ensure the objectivity and independence of this supervisory body. Furthermore, the total remuneration of the members should reasonably reflect the position of the Company as well as the remuneration in comparable companies.

The remuneration must also be sufficiently attractive to recruit and retain appropriately qualified persons for the assumption of responsibilities on the supervisory board of a listed international company. Consequently, the remuneration system should be competitive and in line with the market.

The remuneration system should reflect recognised national and international standards for good corporate governance, including the provisions of the Austrian Stock Corporation Act and the rules of the Austrian Code of Corporate Governance. That means the remuneration must be transparent and easily understandable.

3. Remuneration of the Supervisory Board members

The general meeting is responsible for approving the remuneration of the Supervisory Board members. The amount of this remuneration is to be based on the different functions (e. g. chairperson, vice-chairperson, membership on the Supervisory Board as well as its committees).

The Works Council representatives on the Supervisory Board exercise their functions in an honorary capacity and do not receive any remuneration for these activities. Every Supervisory Board member,

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including the Works Council representatives on the Supervisory Board, is entitled to reimbursement for his or her cash expenses.

3.1. Fixed remuneration

The members of the Supervisory Board receive fixed remuneration per year, which is paid in equal monthly instalments. An additional attendance fee is not paid for the meetings of the full Supervisory Board or for the general meeting.

3.2. Attendance fees

The elected members of the Supervisory Board committees receive an attendance fee for their participation in each committee meeting. The attendance fee is only paid to members who are personally present and is transferred one week after the respective meeting.

3.3. Other remuneration components

Every member of the Supervisory Board is covered by the criminal law insurance policy and the pecuniary damage liability insurance ("D&O insurance") concluded by the Company. The related premiums are paid by the Company.

4. Support for the Company's business strategy and long-term development

In line with the market standard, the Remuneration Policy for the Supervisory Board does not include a performance-based component as this could lead to a conflict of objectives with its monitoring function. The Remuneration Policy also supports the sustainable development of the Company by ensuring the balanced and broadly qualified composition of the Supervisory Board.

5. Remuneration and employment conditions for the workforce

The Management Board provides the Supervisory Board with regular reports on the remuneration and employment conditions of the workforce. The Supervisory Board regularly reviews the Company's remuneration policies, including the development of employees' remuneration, and strives to maintain an appropriate balance to the development of remuneration for the Management Board and Supervisory Board.

6. Term of office for the Supervisory Board

Unless resolved otherwise by the general meeting, new Supervisory Board members are always elected for the maximum term of office defined by § 87 (7) of the Austrian Stock Corporation Act. The Supervisory Board members are elected for a term of office ending with the general meeting which decides on the release from liability for the fourth financial year after their election unless they are elected for a shorter term of office. This calculation does not include the year in which the individual Supervisory Board member is elected.

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There are no contractual employment relationships between the Zumtobel Group and the members of the Supervisory Board above and beyond the appointment resolutions passed by the general meeting. Consequently, no information is provided on the terms of contracts with the members of the Supervisory Board, relevant notice periods, key features of supplementary pension schemes or early retirement programmes or the conditions for termination and related payments.

The employee representatives delegated by the Works Council can be appointed or recalled by the Works Council at any time.

7. Procedures related to the Remuneration Policy

This Remuneration Policy was finalised by a resolution of the Supervisory Board on 22 June 2020 and is presented to the 44th general meeting of Zumtobel Group AG for voting.

The Supervisory Board must pass a resolution on its Remuneration Policy at least every fourth financial year as well as after each material change and must then submit a resolution proposal to the general meeting.

The Remuneration Policy must then be presented to the general meeting for voting.

The general meeting takes a binding decision on the remuneration entitlements of the Supervisory Board members. This procedure prevents conflicts of interests by the Supervisory Board members in connection with the Remuneration Policy.

8. Material changes in the Remuneration Policy

Since this Remuneration Policy was approved for the first time on the basis of the Austrian Stock Corporation Amendment Act of 2019 ("Aktienrechts-Änderungsgesetz 2019", AktRÄG), no information is provided under this point.