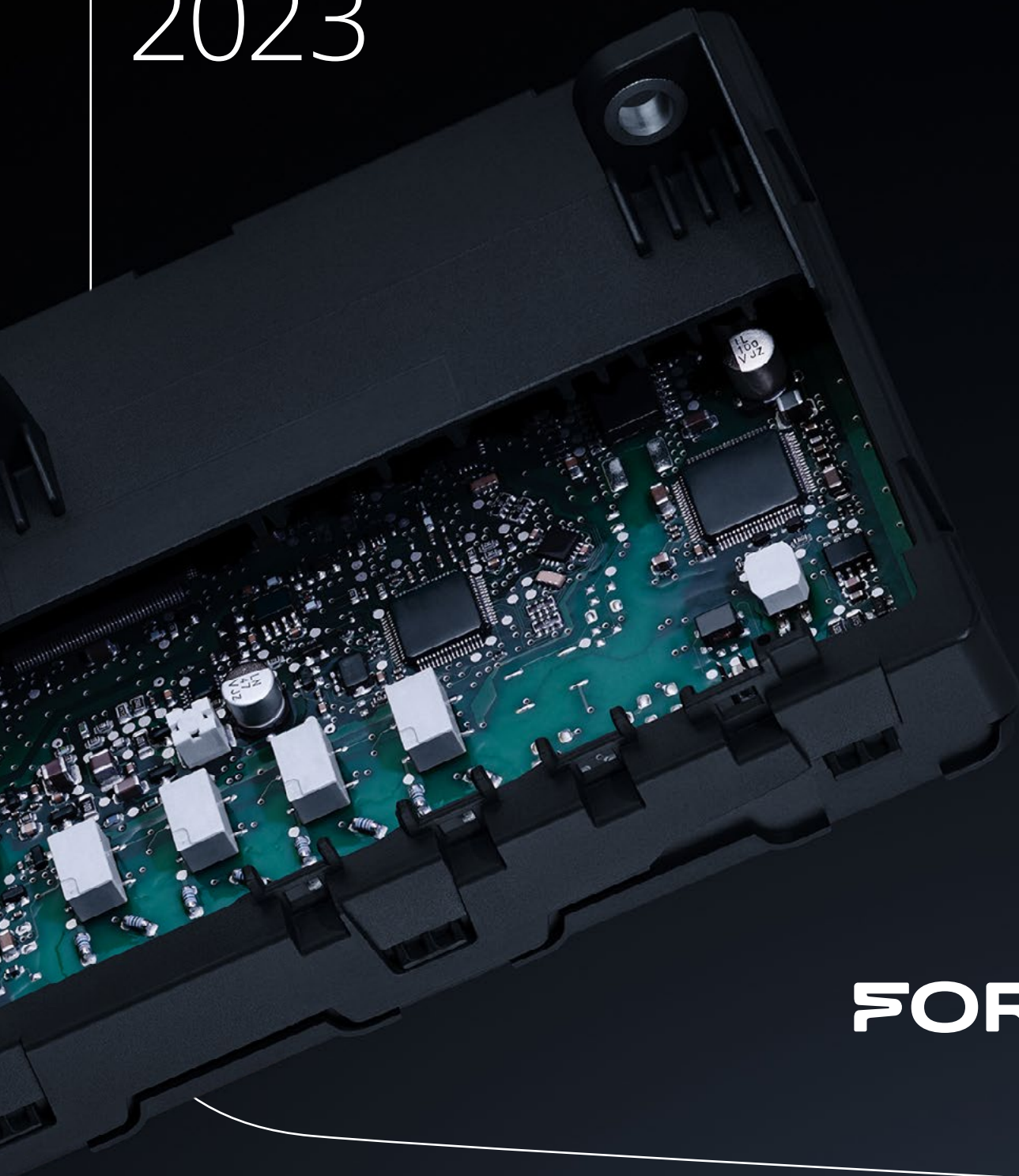


# HELLA

## Remuneration report 2023



**FORVIA**



# Remuneration report

This remuneration report provides information, in accordance with Section 162 of the German Stock Corporation Act (AktG), on the main features of the remuneration systems applied in the fiscal year 2023 for the Management Board of HELLA Geschäftsführungsgesellschaft mbH (under I.), the members of the Supervisory Board (under II.) and Shareholder Committee (under III.) of HELLA GmbH & Co. KGaA as well as the remuneration granted and owed to each individual current and former member of the three aforementioned bodies in the fiscal year 2023. The remuneration report also compares trends in this remuneration to trends in HELLA's earnings and the change in the average remuneration of HELLA's employees (under IV.). The remuneration granted and owed to the members of the Management Board, the Supervisory Board and the Shareholder Committee in the prior fiscal year, the short fiscal year 2022, is only shown in the comparative presentation (under IV.). A voluntary detailed disclosure of the remuneration granted and owed to the members of the Management Board, the Supervisory Board and the Shareholder Committee in the short fiscal year 2022, which comprises only seven months, is not included due to the lack of comparability with the regular fiscal year 2023, which comprises twelve months. →

## I. Remuneration of the Management Board

### 1. Objectives and comprehensive overview

The remuneration system for the Management Board provides incentives for successful implementation of the corporate strategy and sustaina-

ble 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 figures for the corporate management. The relevant targets 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. 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. Secondly, the performance-related remuneration components also take into account aspects of corporate social responsibility (Environmental, Social & Governance, "ESG"). In the fiscal year 2023, the corresponding ESG targets included promoting gender diversity and reducing CO<sub>2</sub> emissions as well as reducing the accident rate and specific CO<sub>2</sub> intensity. The targets for the operational key figures and the ESG targets can also be addressed individually to the individual managing directors, provided that the Shareholder Committee sets corresponding special ("prioritised") targets.

→ **Further remuneration-related disclosures**  
in accordance with the International Financial Reporting Standards (IFRS) and the German Commercial Code (HGB) can be found in the consolidated notes. There may be minor discrepancies in the totals shown in the tables below due to rounding.

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").

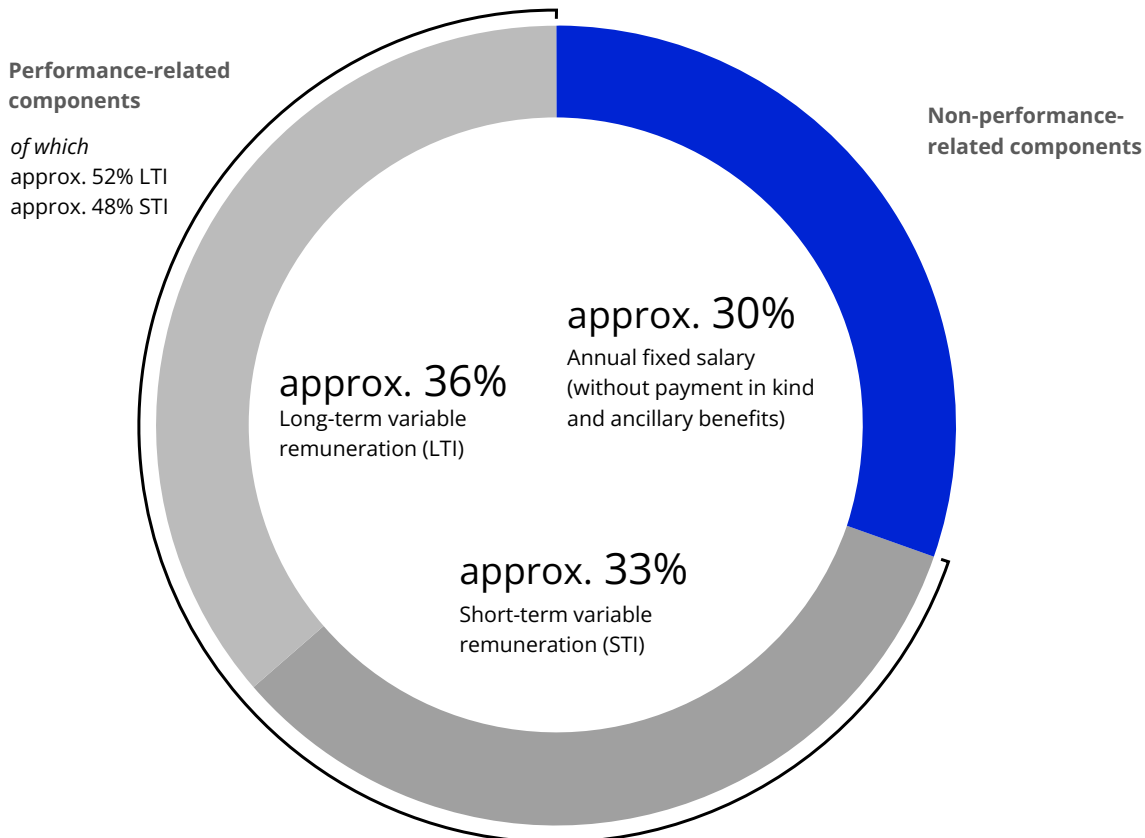
The performance-related remuneration components are subject – individually and jointly – to a maximum limit ("cap"). In addition, the Shareholder Committee may adjust the performance-related

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").

The target remuneration for a target achievement level of 100% is 1.1 times the annual fixed salary for the STI and 1.2 times the annual fixed salary for the LTI. 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)



## Remuneration report for the fiscal year 2023

The remuneration system approved by the Annual General Meeting on 28 April 2023 can be summarized as follows in the form applied in the fiscal year 2023:

	Component <sup>1</sup>	Objective
<b>Non-performance-related components</b>	<p><b>Annual fixed salary</b> (approx. 30% of annual target remuneration)</p> <ul style="list-style-type: none"> <li>■ Payment in 12 monthly instalments:               <ul style="list-style-type: none"> <li>- President and CEO: €901 thousand p.a.</li> <li>- other members: €440 thousand p.a. to €690 thousand p.a.</li> </ul> </li> <li>■ Reviewed annually for appropriateness.</li> </ul>	Ensures an appropriate base income in order to prevent the taking of inappropriate risks.
	<p><b>Remuneration in kind and other ancillary benefits</b></p> <ul style="list-style-type: none"> <li>■ In particular, the private use of the company car, inclusion in the Group's D&amp;O insurance and the assumption of work-related expenses for a double household.</li> </ul>	Assumption of expenses promoting management activities as customary on the market.
<b>Performance-related components</b>	<p><b>Short-term variable remuneration (STI)</b> (approx. 33% of annual target remuneration)</p> <ul style="list-style-type: none"> <li>■ 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:               <ul style="list-style-type: none"> <li>- operating key figures (50%– 70% of STI, in fiscal year 2023: 50%): EBT (70%) and OCF (30%).</li> <li>- specific (prioritised) targets (30%– 50% of STI, in fiscal year 2023: 50%) consisting of collective/team targets and individual targets, which are redefined annually.</li> </ul> </li> <li>■ Target remuneration at 100% target achievement:               <ul style="list-style-type: none"> <li>- President and CEO: €991 thousand</li> <li>- other members: €484 thousand to €759 thousand</li> </ul> </li> <li>■ Maximum limit at 300% target achievement:               <ul style="list-style-type: none"> <li>- President and CEO: €2,973 thousand</li> <li>- other members: €1,452 thousand to €2,276 thousand</li> </ul> </li> </ul>	Incentive to achieve the corporate targets for the current fiscal year while simultaneously promoting implementation of strategic priorities.
	<p><b>Long-term variable remuneration (LTI)</b> (approx. 36% of annual target remuneration)</p> <ul style="list-style-type: none"> <li>■ Bonus with two equally weighted components with a 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 key figures in fiscal years 2 and 3 of the reference period.</li> <li>■ Relevant key figures:               <ul style="list-style-type: none"> <li>- Internal financial ratios (75% of the LTI): OCF (45%) and EBIT margin (30%).</li> <li>- ESG targets (25% of the LTI): Gender diversity (10%) and CO<sub>2</sub> reduction (15%).</li> <li>- Lower limit for the consideration of the individual key figure in the overall target achievement: 50% target achievement level.</li> </ul> </li> <li>■ Payment in cash after the end of the reference period.</li> <li>■ Target remuneration at 100% target achievement:               <ul style="list-style-type: none"> <li>- President and CEO: €1,081 thousand</li> <li>- other members: €528 thousand to €828 thousand</li> </ul> </li> <li>■ Maximum limit at 200% target achievement:               <ul style="list-style-type: none"> <li>- President and CEO: €2,162 thousand</li> <li>- other members: €1,056 thousand to €1,655 thousand</li> </ul> </li> </ul>	<p>Multi-year assessment period rewards long-term and sustainable value creation and penalises undesirable developments.</p> <p>The holding period ensures that the management can only dispose of the two LTI components after a total of four years.</p> <p>Financial targets take account of the shareholders' sustainable value creation interests.</p> <p>Ensuring that the remuneration system is linked to the ESG sustainability strategy.</p>

## Remuneration report for the fiscal year 2023

	Component <sup>1</sup>	Objective
<b>Termination benefits</b>	<p><b>Settlement upon dismissal prior to the end of the term of the service agreement</b></p> <ul style="list-style-type: none"> <li>■ If the Managing Director has not provided a compelling reason for termination, the total of annual fixed salary and STI for the residual term of the contract, but for no more than two years, will be paid as settlement; LTI instalments amounts already allocated will be reduced pro rata temporis and paid at the end of the calculation period.</li> </ul>	Settlement cap serves to avoid inappropriately high settlements.
	<p><b>Post-contractual non-competition clause</b></p> <ul style="list-style-type: none"> <li>■ Duration between 12 and 24 months, agreed on an individual basis.</li> <li>■ Non-competition compensation of 50% of the annual fixed salary fixed netted against settlement and pension payments and earnings from any other activities.</li> <li>■ Waiver by Company possible; non-competition compensation will then no longer apply.</li> </ul>	Protection of the Company's interests by preventing employment immediately afterwards at major competitors.
	<p><b>Extraordinary right of termination of a member of the Management Board</b></p> <ul style="list-style-type: none"> <li>■ An acting member of the Management Board (Bernard Schäferbarthold) was authorised to terminate his employment contract for cause as a result of the change of control in 2022. In this case, he would have been entitled to twice his annual remuneration.</li> <li>■ This right of termination has been postponed and modified in order to persuade the member to remain on the Management Board.</li> </ul>	Extension/postponement of the right of termination triggered by the change of control in 2022 makes it possible to remain active in the management without economic disadvantages.
<b>Other remuneration arrangements</b>	<p><b>Pension commitments and comparable long-term obligations</b></p> <ul style="list-style-type: none"> <li>■ Defined contribution capital account system to which a percentage (40% or 50% in the case of the CEO) of the annual fixed salary is allocated each year as financing contribution: <ul style="list-style-type: none"> <li>- President and CEO: €450 thousand</li> <li>- other members: €76 thousand to €276 thousand</li> </ul> </li> <li>■ Optional payment of contributions by the Managing Director (deferred compensation).</li> </ul>	Provision of contributions to build up adequate company pension arrangements.
	<p><b>Caps and maximum remuneration</b></p> <ul style="list-style-type: none"> <li>■ Cap on payment of LTI and STI (combined) at six-fold amount of the fixed salary: <ul style="list-style-type: none"> <li>- President and CEO: €5,406 thousand</li> <li>- other members: €2,640 thousand to €4,138 thousand</li> </ul> </li> <li>■ Maximum remuneration that comprises all remuneration components: <ul style="list-style-type: none"> <li>- For the President and CEO: €9,500 thousand</li> <li>- For the remaining members: €5,000 thousand</li> </ul> </li> </ul>	Serves to provide non-discretionary means of avoiding inappropriately high payments.
	<p><b>Adjustment and reclaim possibilities (clawback)</b></p> <ul style="list-style-type: none"> <li>■ Discretionary possibility for the Shareholder Committee to correct all variable remuneration components.</li> <li>■ Possibility to reclaim or retain variable remuneration in the event of grossly negligent or intentional breach of duty of care.</li> </ul>	Ensures appropriateness of the variable remuneration and penalises serious compliance breaches (malus).
	<p><b>Special commitments</b></p> <ul style="list-style-type: none"> <li>■ In individual cases, the Shareholder Committee may grant members of the Management Board special benefits (e.g. sign-on bonuses) to an appropriate extent when they take up their duties.</li> </ul>	This serves to attract qualified individuals for the position of a member of the Management Board.

<sup>1</sup> All figures relate to the beginning of the fiscal year 2023 (reporting date: 1 January 2023) and in each case assume membership of the Management Board for the entire fiscal year, i.e. they do not take into account anyone joining or leaving the company during the year.

## 2. 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 – through 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 of HELLA GmbH & Co. KGaA 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 full 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 total remuneration is in line with customary market practice, the Shareholder Committee looks to studies performed on the remuneration of management boards at MDAX companies, as well as comparable European companies, as a basis for comparison ("peer group"). When determining the remuneration, the Shareholder Committee also took into account the ratio of the management remuneration to the remuneration of senior management and the workforce as a whole, including its development over time.

In the event of material changes, but at the latest every four years, the remuneration system is submitted to the Annual General Meeting for approval in accordance with the requirements of the legislation implementing the Shareholder Rights Directive (ARUG II) pertaining to stock corporations. The remuneration system applied in the fiscal year 2023 for the members of the Management Board was approved by resolution of the Annual General Meeting of 28 April 2023 with 97.55% of the valid votes cast. The resolution is available on the Company's website. The remuneration report for the short fiscal year 2022 was also approved by the Annual General Meeting on 28 April 2023 with 97.71% of the valid votes cast. In view of the high approval ratings, there was no reason for the Shareholder Committee to scrutinise the remuneration system, its implementation or the manner of reporting. However, on 26 April 2024 the Shareholder Committee will present the Annual General Meeting with a remuneration system that has been amended with regard to a few points to take account of developments in the meantime.

For improved readability, in the following, when describing the employment relationships of the members of the Management Board, simplified reference will be made to rights and obligations vis-à-vis the "Company". It should be noted in this regard that the service agreements are entered into with Hella Geschäftsführungsgesellschaft mbH, but that the latter services reimbursement from HELLA GmbH & Co. KGaA for the expenses and charges arising therefrom and that the services rendered by the members of the Management Board benefit HELLA GmbH & Co. KGaA.

## 3. 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 generally paid in twelve equal monthly instalments. It ensures an adequate basic income to prevent unreasonable risk-taking by managing directors. The most recent annual fixed salary for the President and CEO was €901 thousand and for the other members of the Management Board between €440 thousand and €690 thousand.

The respective amount of the fixed salary reflects the role of the managing director within the Management Board as well as the experience, area of

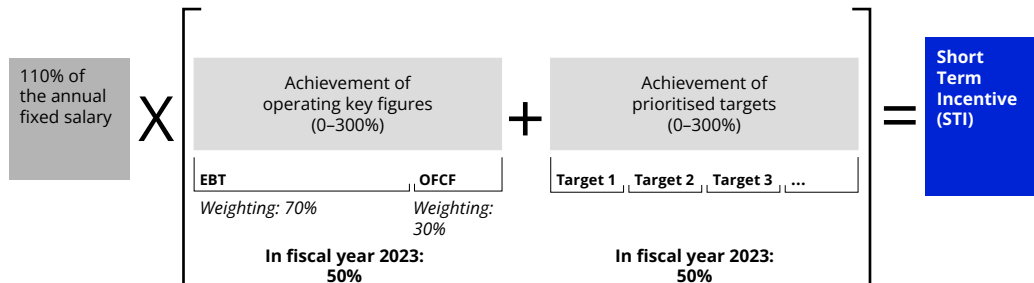
responsibility and market conditions. The Shareholder Committee reviews the suitability of the fixed salary on an annual basis.

In addition, the managing directors are granted the customary remuneration in kind and other ancillary benefits that support management activities. They consist, in particular, of the private use of the company car and the assumption of work-related expenses for maintaining two households. 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, which is however capped at one-and-a-half times their fixed salary.

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

The Short Term Incentive ("STI") remuneration aims to provide an incentive to achieve the corporate targets for the current fiscal year while promoting the implementation of strategic priorities. The Short Term Incentive is calculated depending on the degree to which certain objectives are achieved, which are divided into the categories of "operating key figures" 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. The payment is made once per fiscal year. If a member of the Management Board joins or leaves the Company during the year, the STI is granted pro rata temporis for the duration of their membership of the Management Board.

#### Composition of Short Term Incentive (STI)



The degree of target achievement of the operating key figures and the special (prioritised) targets to be determined by the Shareholder Committee was between 0% and 300% in the past fiscal year. To this end, the Shareholder Committee sets ambitious minimum, target and maximum values before the start of the respective fiscal year, and regularly reviews these on the basis of the development of HELLA GmbH & Co. KGaA and the corporate planning. Since the fiscal year 2024, the contractual maximum target achievement level has been 200%; the

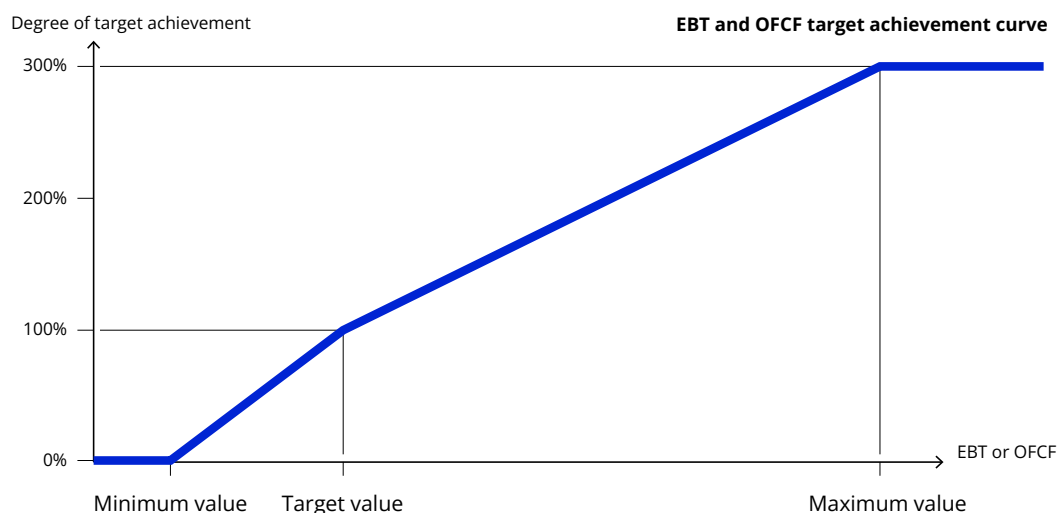
Shareholder Committee can also set interim target achievement levels (e.g. 150%) at its reasonable discretion. For managing directors whose service contracts were concluded or extended for the last time before the approval of the current remuneration system by the Annual General Meeting on 28 April 2023 (Yves Andres, Jörg Weisgerber, Stefan van Dalen), the provision applied until the fiscal year 2023 continues to apply with a contractual maximum target achievement level of 300%. There is no option to set interim targets in these cases.

### Operating key figures

In the past fiscal year, the operating key figures included (i) the HELLA Group's earnings before taxes (EBT) and before the effects of restructuring in the respective fiscal year, adjusted for special items (extraordinary expenses and income as would have to be reported in the consolidated financial statements in accordance with Section 277 (4) HGB (old version)) with a weighting of 70% and (ii) the free cashflow from operating activities (OFCF) before the effects of restructuring 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. Since the beginning of the fiscal year 2024, the operating income margin<sup>1</sup>, as reported in the consolidated financial statements, has been used instead of EBT. In addition, net cash flow<sup>2</sup> has been used instead of OFCF since the current

fiscal year, as reported in the consolidated financial statements. At its reasonable discretion, the Shareholder Committee is entitled to change or redefine the operating key figures 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. The following diagram shows the resulting target achievement curve (not yet including the option to set interim target values for service contracts that were concluded or extended for the last time after the approval of the current remuneration system by the Annual General Meeting on 28 April 2023):



<sup>1</sup> Currently defined as the HELLA Group's operating result (EBIT) excluding special components, less the result from investments accounted for using the equity method and other income from investments in relation to reported sales.

<sup>2</sup> Currently defined as sum of cash flow from operating activities and cash inflows and outflows from the sale or procurement of intangible assets and property, plant and equipment.



## Remuneration report for the fiscal year 2023

The following table shows the values for EBT and OFCF in the fiscal year 2023, which apply equally to all members of the Management Board:

In €	Minimum value (= 0% target achievement)	Target figure (= 100% target achievement)	Maximum value (= 300% target achievement)	Established value Degree of target achievement
EBT <sup>1</sup>	369.0 million	492.0 million	787.0 million	439.5 million <sup>2</sup> (57%)
OCFC <sup>1</sup>	200.0 million	267.0 million	451.0 million	277.8 million <sup>3</sup> (112%)

<sup>1</sup> Before earnings effects from restructuring.

<sup>2</sup> After adjustment for special effects in connection with the lack of contribution to earnings from the Behr-HELLA Thermocontrol joint venture following the sale of the shares held by the Company.

<sup>3</sup> After adjustment for special effects in connection with a delayed tax refund following a BFH ruling on the deductibility of foreign withholding tax and factoring effects.

### Special (“prioritised”) targets

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 to the Management Board in equal measure – 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%. The weighting of key operating figures is reduced accordingly in this case. For the fiscal year 2023, the Shareholder Committee has set the weighting of the prioritised targets at 50%. For the current fiscal year 2024, the Shareholder Committee has also set the weighting of the prioritised targets at 50%.

The following table shows both the collective/team targets (including ESG targets) and the individual targets, their respective weighting and the degree of target achievement determined in the fiscal year 2023. The individual targets reflect the individual work focuses and priorities of the individual members of the Management Board. In the fiscal year 2023, the individual targets consisted of budget target achievement for (i) consolidated net profit before interest and taxes adjusted for special items (adjusted EBIT) and (ii) free cashflow from operating activities adjusted for special items (OCFC, operating free cash flow after capital expenditure and divestments (procurement and sale of property, plant and equipment and intangible assets) and excluding company acquisitions) in the respective business divisions for which the members of the Management Board are responsible:

## Remuneration report for the fiscal year 2023

Target	Weighting	Established Degree of target achievement
<b>Collective/team targets</b>		
Realisation of synergy potential	15%	300%
Development of order intake	12.5%	125%
Gross costs for research and development of the HELLA Group as a percentage of total sales	7.5%	0%
ESG targets in the dimensions of accident rate and specific CO <sub>2</sub> intensity	15%	150%
<b>Individual target:</b> Development of respective segments/areas for which responsibility is held by...		
Michel Favre (entire HELLA Group)	50%	93%
Yves Andres (Business Group Lighting)	50%	184%
Dr Lea Corzilius (Business Group Lifecycle Solutions, including Aftermarket and Special Applications) (until 30/04/2023)	50%	104%
Bernard Schäferbarthold (entire HELLA Group)	50%	93%
Björn Twiehaus (Business Group Electronics) (until 31/03/2023)	50%	14%
Stefan van Dalen (Business Group Lifecycle Solutions) (as of 01/04/2023)	50%	104%
Jörg Weisgerber (Business Group Electronics) (as of 01/04/2023)	50%	14%

This resulted in the overall target achievement levels and payout amounts for the STI for the fiscal year 2023 as shown in the table below:

	Degree of target achievement			Payment amount	STI target remuneration (at 100% target achievement)
	Operating key figures	"Prioritised" targets	Total		
Michel Favre	74%	130%	102%	€1,008.4 thousand	€991.0 thousand
Yves Andres	74%	175%	124%	€629.0 thousand	€505.8 thousand
Dr Lea Corzilius (until 30/04/2023)	74%	135%	104%	€232.4 thousand <sup>1</sup>	€222.6 thousand <sup>1</sup>
Bernard Schäferbarthold	74%	130%	102%	€771.9 thousand	€758.7 thousand
Björn Twiehaus (until 31/03/2023)	74%	90%	82%	€140.7 thousand <sup>1</sup>	€171.9 thousand <sup>1</sup>
Stefan van Dalen (as of 01/04/2023)	74%	135%	104%	€379.1 thousand <sup>1</sup>	€363.0 thousand <sup>1</sup>
Jörg Weisgerber (as of 01/04/2023)	74%	90%	82%	€395.0 thousand <sup>1</sup>	€482.6 thousand <sup>1</sup>

<sup>1</sup> Payment amount and STI target remuneration calculated pro rata temporis according to the length of service on the Management Board in the fiscal year 2023.

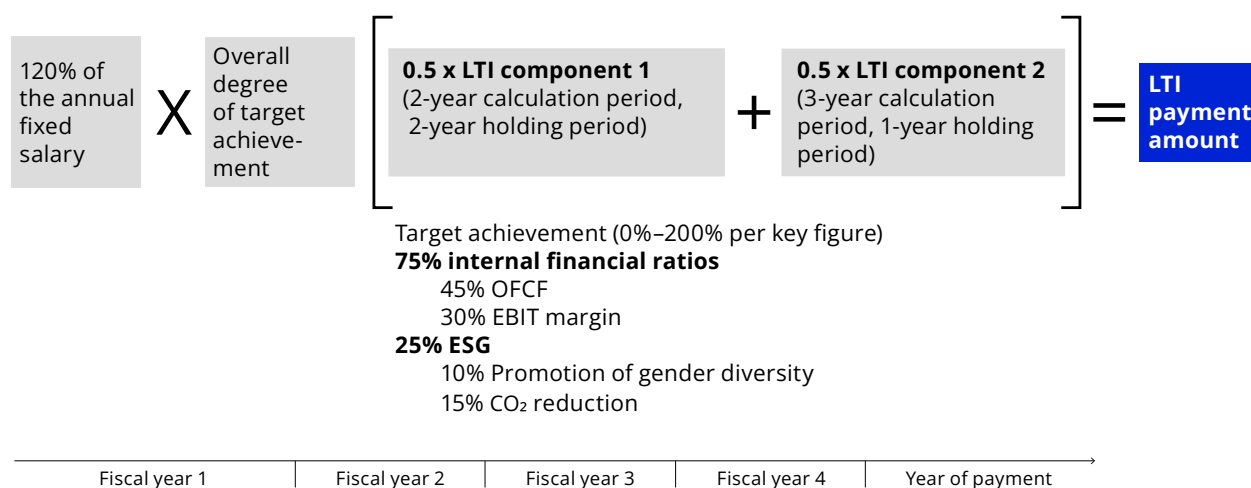
## Remuneration report for the fiscal year 2023

**C) Long-term variable remuneration ("LTI") in the fiscal year 2023**

The long-term variable remuneration (long-term incentive, LTI) is also paid in cash and calculated as a multiple of the fixed salary. This is determined by the fixed salary at the beginning of the respective fiscal year.

The LTI is granted in two equally weighted LTI components, each comprising a four-year reference period with a two-year calculation period ("LTI component 1") and a three-year calculation period ("LTI component 2"). Both LTI components are only paid

out after the entire four-year reference period has expired. In the fiscal year 2023, the key figures for measuring long-term variable remuneration included the development of operating free cash flow (OFCF) and the EBIT margin as well as the achievement of two ESG criteria (reduction of CO<sub>2</sub> emissions and promotion of gender diversity in the company). Since the beginning of the fiscal year 2024, newly allocated LTI instalments have been based on the financial indicators net cash flow and operating income margin instead of the internal financial indicators OFCF and EBIT margin.

**Internal key financial figures:****OFCF and EBIT margin**

OFCF is defined as adjusted free cashflow from operating activities (operating free cash flow after capital expenditure and divestments (procurement and sale of property, plant and equipment and intangible assets) and excluding company acquisitions). The EBIT margin is calculated from the adjusted consolidated net profit before interest and taxes (based on portfolio-adjusted consolidated sales, adjusted for special effects) divided by the HELLA Group's sales. The specific target values for the internal financial ratios are set by the Shareholder Committee before the start of the reference period of the respective LTI instalment.

**ESG goals:****Gender diversity and CO<sub>2</sub> reduction**

The ESG targets are formulated as *indirect financial targets (IFTs)* as part of corporate management. The ESG targets are gender diversity (increasing the percentage of women in the group of specialists and managers) and the reduction of CO<sub>2</sub> emissions (on the basis of an agreed CO<sub>2</sub> roadmap). The specific target values for the two ESG targets are set by the Shareholder Committee before the start of the reference period of the respective LTI instalment.

**Calculation methods**

The individual LTI instalment is granted in two equally weighted LTI components depending on the achievement of the defined target values for the underlying key figures.

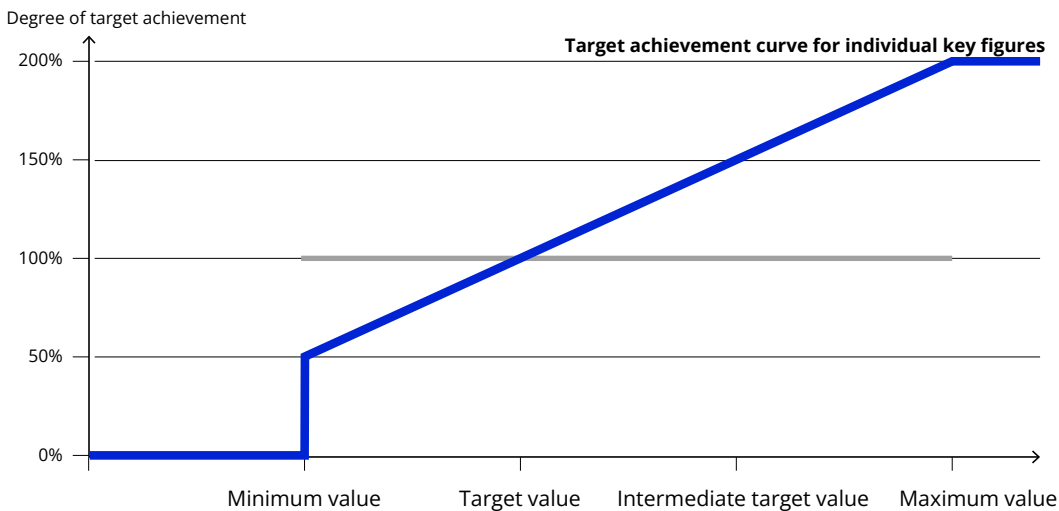
The overall target achievement level for the individual LTI component is calculated from the weighted sum of the target achievements for the four underlying key figures over an calculation period of two years (LTI component 1) or three years (LTI component 2). The individual key figures in the fiscal year 2023 were weighted as follows;

- OCF \* 45%
- EBIT margin \* 30%
- Gender diversity \* 10%
- CO<sub>2</sub> reduction \* 15%

The Shareholder Committee has decided on the following weighting for the current fiscal year 2024:

- Net cash flow \* 45%
- Operating income margin\* 30%
- Gender diversity \* 10%
- CO<sub>2</sub> reduction \* 15%

The target achievement of the individual key figures is determined for each LTI component on the basis of the minimum, target and maximum values defined by the Shareholder Committee for the individual key figures before the start of the reference period. The Shareholder Committee may also set further interim target values for certain target achievement levels (e.g. 150%) at its reasonable discretion. 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. The individual key figure is only taken into account when determining the overall target achievement level if the target achievement level is at least 50% (minimum value) and the target achievement level for the individual key figure is capped at a target achievement level of 200% (maximum value). This results in the following schematic target achievement curve for the individual key indicators:



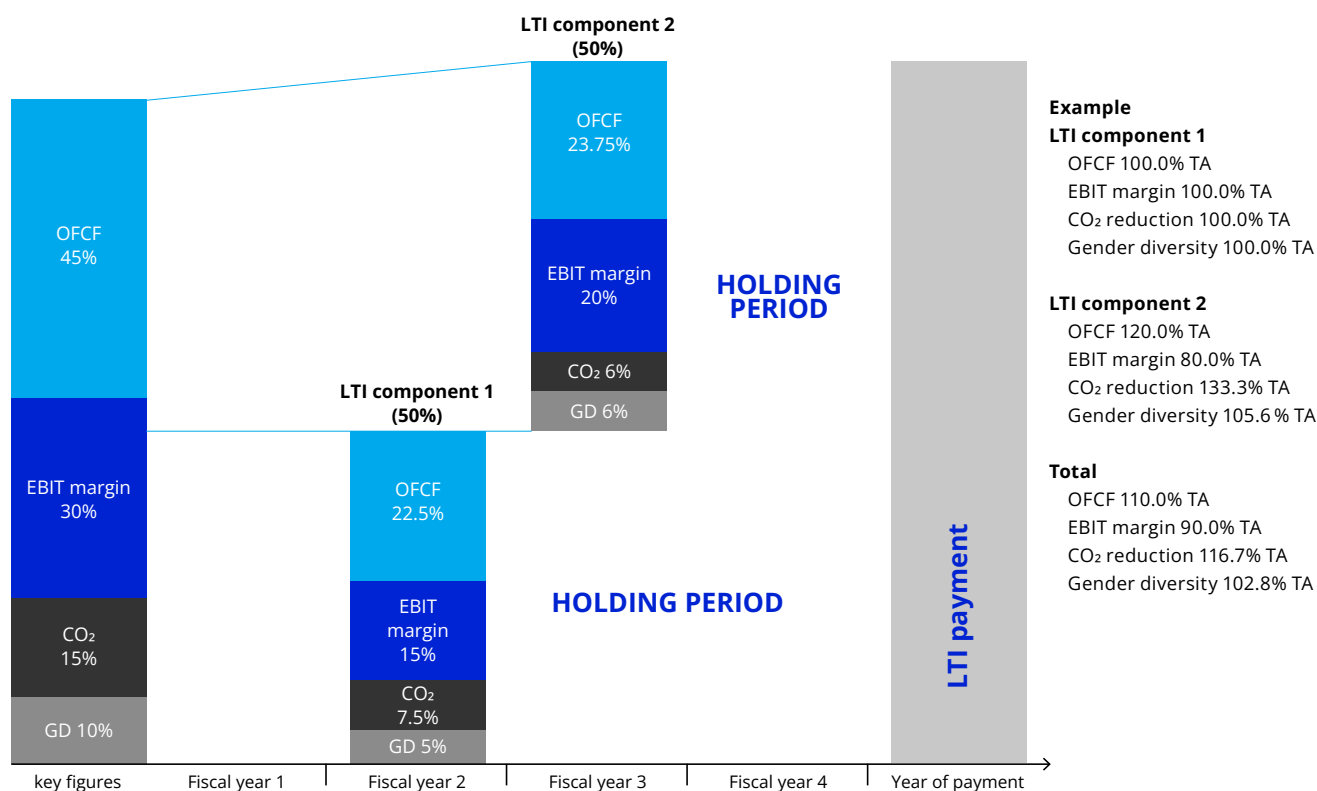
## Remuneration report for the fiscal year 2023

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 holding period of two years applies to the amount from LTI component 1 and a holding period of one year applies to the amount from LTI component 2. The LTI instalment beginning in the fiscal year 2023 will therefore lead to a possible payment after the end of the fiscal year 2026, i.e. in the fiscal year 2027.

The following diagram shows the calculation of the total amount of the long-term variable remuneration (LTI) to be paid out after the end of the fourth fiscal year depending on the target achievement for the defined key figures for the two LTI components.

### Schematic representation of the LTI calculation

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



#### Reductions if a board member joins and leaves the company during the year and on termination of their contract

If a board member joins or leaves the company during fiscal year 1 or if fiscal year 1 is less than 12 months long, the LTI instalment beginning in this fiscal year is granted pro rata temporis (e.g. 50% for employment only from the second half of a fiscal year) and may be further reduced in accordance with the following principles.

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 a compelling reason for which the Management Board member is responsible within the meaning of Section 626 of the German Civil Code (BGB), or (ii) the member of the Management Board terminates the service agreement or requests an early termina-

Remuneration report for the fiscal year 2023

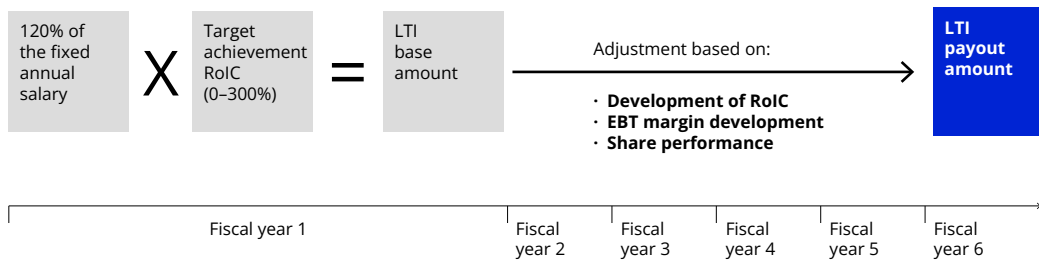
tion agreement or refuses to enter into a new service agreement offered by the Company on equal or improved terms without a compelling reason for which the Company is responsible within the meaning of Section 626 BGB being given. In addition, the LTI payment amount will be reduced proportionately if more than 12 months of the reference period are missing for a specific LTI instalment at the time of departure. In this case, the LTI payment amount must be reduced proportionately (rounded down to full months) for each additional month of the respective reference period that is missing beyond the 12 months.

**D) Long-term variable remuneration ("LTI") up to and including the short fiscal year 2022**

LTI instalments allocated to the Managing Directors for fiscal years up to and including the short fiscal year 2022 continue to be subject to the regulations that applied at the time of their respective allocation. The provisions for the currently outstanding LTI instalments are shown below:

These LTI instalments are also structured as cash remuneration, but are measured on the basis of the development of the return on invested capital (RoIC) and the EBT margin as well as the performance of the HELLA share (total shareholder return). The long-term variable remuneration is based on a calculation period of five fiscal years in total.

**Composition of long-term variable remuneration (LTI) until the short fiscal year 2022**



## Remuneration report for the fiscal year 2023

**Return on invested capital (RoIC)**

The return on invested capital (RoIC) defined as the ratio of operating income before interest and after taxes (return) to invested capital, in accordance with IFRS. Return is calculated on the basis of earnings before interest and taxes (EBIT) at the level of the Group's legal entities, less the standard income tax rate applicable in the country in question. Invested capital is the average of the opening and closing value of the assets shown on the face of the balance sheet excluding cash and cash equivalents and current financial assets less liabilities carried on the face of the balance sheet excluding current and non-current financial liabilities for the reporting period (as reported in the respective annual consolidated financial statements in each case). The RoIC value determined for the fiscal year 2023 is 11.8%.

**EBT margin**

The EBT margin is calculated from the HELLA Group's earnings before taxes (EBT) divided by the HELLA Group's sales (as reported in the respective annual consolidated financial statements). For the fiscal year 2023, the EBT margin calculated in this way is 5.0%.

**Total shareholder return**

Total shareholder return is defined as the performance of the HELLA share plus dividends paid. To this end, the volume-weighted average price of the last 20 trading days of the fiscal year in which the calculation period of an LTI instalment begins is compared with those of the last 20 trading days of the subsequent fiscal years in the calculation period. The dividends paid in the interim are added. Technical price effects (e.g. in the case of share splits) are, on the other hand, deducted.

**Calculation methods**

The payout amount from an LTI instalment allocated for fiscal years up to the short fiscal year 2022 is as follows:

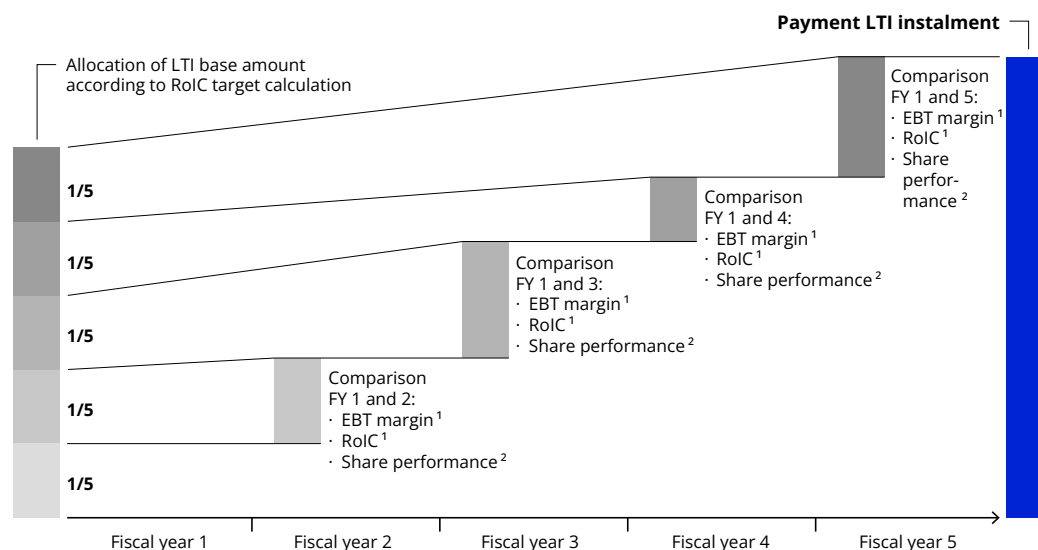
Firstly, an LTI base amount was determined for the first fiscal year in the calculation period. This amount was calculated as a fixed percentage of the annual fixed salary depending on the RoIC. For the RoIC, the Shareholder Committee defined minimum (= 0% target achievement), target (= 100% target achievement) and maximum values (= 300% target achievement). The minimum value defined the floor for calculating an LTI base amount.

The respective target achievement level was derived from the minimum, target and maximum values which have been established. Intermediate values were determined by linear interpolation and the degree of target achievement thus determined was rounded to full percentage points, in accordance with standard commercial practice. If the target value was reached, the LTI base amount was equal to 1.2 times the annual fixed salary; if the maximum value was reached, the LTI base amount was equal to 3.6 times the annual fixed salary (reduced proportionately in the short fiscal year 2022). If a Managing Director joined or leaves the Management Board during the year, the LTI base amount for the relevant fiscal year was granted pro rata temporis.

An LTI instalment allocated for fiscal years up to the short fiscal year 2022 is paid out to the Managing Director after the calculation period has expired. This amounted to a total of four fiscal years up to and including the fiscal year 2019/2020 and five fiscal years thereafter. Only in the case of Björn Twiehaus did the five-year calculation period already apply in the fiscal year 2019/2020, meaning that only he will receive an LTI instalment at the end of the fiscal year 2023.

Unless otherwise agreed with the members of the Management Board, the amount paid out is determined in accordance with the LTI regulations applicable at the time of allocation; changes to the remuneration system in the meantime therefore have no effect on this. The payment amount derived from the LTI base amount is determined equally on the basis of economic success over the entire five-year term of the respective LTI instalment. In mathematical terms, this takes place as follows: First, 1/5 of the LTI base amount is defined. This amount is notionally assigned to the first fiscal year of the calculation period. The remaining 4/5 of the LTI base amount will change in accordance with the performance of (i) the RoIC, (ii) the EBT margin of the HELLA Group and (iii) the share performance in the four subsequent fiscal years of the calculation period. For this purpose, the figures for the fiscal year for which the LTI base amount was calculated are compared with all subsequent fiscal years of the calculation period. If, in a subsequent fiscal year of the calculation period, the figures have improved (worsened) compared to the first fiscal year, 1/5 of the LTI base amount will be increased (reduced) and frozen to the benefit of the Managing Director (see schematic below).

## Schematic representation of the LTI calculation for instalments up to the short fiscal year 2022 (five-year calculation period and alignment to share performance)



<sup>1</sup> Per percentage point increase/decrease in EBT margin/RoIC: +/- 7.5%

<sup>2</sup> Per percentage point increase/decrease in total shareholder return: +/- 1.0%

An increase in the EBT margin and/or the RoIC by one percentage point will each result in an increase of 7.5% in the pro rata LTI base amount, while every decrease by the same amount will lead to a corresponding decrease. Total shareholder return has a direct proportional effect – i.e. a positive (negative) total shareholder return of 30%, for example, increases (decreases) the pro rata LTI amount by 30%. Once these comparisons have been carried out for all fiscal years of the calculation period, the total amount of the frozen amounts will be paid to the Managing Directors at the end of the calculation period.

This does not give rise to any entitlement on the part of the Company to recover any compensation from a Managing Director in the event of a negative over-

all LTI settlement amount. In addition, it is not netted against a future positive LTI settlement amount.

The reductions to be made in the event of a member of the Management Board and leaving the company during the year and on termination of their contract largely correspond to the rules described under I. 3 C) above. If more than 12 months of the calculation period are missing for a particular LTI instalment at the time of departure, the LTI settlement amount is reduced by 1/60 for each additional month of the respective calculation period that is missing in excess of the twelve months.

The LTI instalment for 2019/2020 – 2023, which expires in the fiscal year 2023, is based on the following calculation:



## Remuneration report for the fiscal year 2023

Fiscal year	RoIC		EBT margin		Share performance since base fiscal year	Adjustment of proportionate base amount
	Actual value	Δ Base fiscal year	Actual value	Δ Base fiscal year		
2019/2020 (base fiscal year) <sup>1</sup>	13.6%	-	6.2%	-	-	-
2020/2021	14.7%	1.1%	7.0%	0.8%	25.9%	+15.1% <sup>2</sup>
2021/2022	7.3%	-6.3%	4.0%	-2.2%	55.4%	-43.7%
Short fiscal year 2022	9.7% <sup>3</sup>	-3.9%	4.8% <sup>3</sup>	-1.4%	90.2%	+15.5%
2023	11.8%	-1.8%	5.0%	-1.2%	106.8%	+60.3%
<b>Total</b>						<b>+9.4%</b>

<sup>1</sup> The economic turmoil caused by the Covid-19 pandemic since March 2020 meant that the target values for the LTI previously set by the Shareholder Committee were no longer realistic. The Shareholder Committee therefore decided to set LTI base values for the fiscal year 2019/2020 by way of a discretionary adjustment. The calculation of the LTI base values for the fiscal year 2019/2020 was roughly based on the values that would have resulted from a pre-pandemic RoIC of 13.6% as at 29 February 2020 (rolling over 12 months) for the LTI instalment for the fiscal year 2019/2020–2023. For the calculation of the payout amount or the LTI instalment for the fiscal year 2019/2020–2023, the respective value before the start of the Covid 19 pandemic as at 29 February 2020 is used as the basis for the calculation for the relevant key figures (RoIC: 13.6%; EBT margin: 6.2%). Without this adjustment, the actual value for RoIC in the base fiscal year 2019/2020 would have been -7.9% and for the EBT margin -6.6%.

<sup>2</sup> In light of the ongoing economic impact of the Covid-19 pandemic in the fiscal year 2020/2021, the members of the Management Board opted to waive, amongst other things, 20% of the LTI partial amount of the 2019/2020 LTI instalments to be determined for the fiscal year 2020/2021. The value shown already takes this voluntary waiver into account. Without the waiver, the adjustment of the pro rata base amount would have been 43.8% in the fiscal year 2020/2021.

<sup>3</sup> The basis for calculating RoIC in the short fiscal year 2022 was adjusted for certain provisions and non-operating measurement effects resulting from changes in the accounting policies applied and for special items from the sale of the shares held by the company in the joint venture HELLA Behr Plastic Omnium. Without this adjustment, the actual value for RoIC would have been 15.8% in the short fiscal year 2022.

The LTI base amount allocated for the fiscal year 2019/2020 will therefore be paid out in the fiscal year 2024, increased by 9.4% after the end of the calculation period at the end of the fiscal year 2023. The resulting LTI entitlements to be paid out are shown in the table below under I. 10. The amount shown there already takes into account the reduction due to joining and leaving during the calculation period (see above under "Reductions if a board member joins and leaves the company during the year and on termination of their contract").

### E) Pension commitments and comparable long-term obligations in the event of regular termination

In addition to the fixed remuneration and the variable remuneration components, the Company provides pension benefits to promote the building up of adequate company pension arrangements.

With respect to the Management Board of HELLA Geschäftsführungsgesellschaft mbH, the Company uses a defined contribution pension plan into which it deposits a certain amount each year for the respective Managing Director. This amounts to 50% of the annual fixed salary for the President and CEO and 40% of the annual fixed salary in each case for the other Management Board members, 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 member of the Management Board has left the Company. This period may be extended at the member of the Management Board's request and is 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.

## Remuneration report for the fiscal year 2023

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.

For the pension entitlements acquired by the members of the Management Board in the fiscal year 2023 and the short fiscal year 2022 as a result of benefits provided by the Company, the following individual service costs and defined benefit obligations arise in accordance with IFRS.

in € thousand		Service costs	Present value of the pension liabilities
Michel Favre (as of 01/07/2022)	2023	463	883
	Short fiscal year 2022	416	402
Yves Andres (as of 15/04/2022)	2023	280	552
	Short fiscal year 2022	259	223
Dr Lea Corzilius (until 30/04/2023)	2023	285	522
	Short fiscal year 2022	417	487
Bernard Schäferbarthold	2023	292	2,227
	Short fiscal year 2022	313	1,807 <sup>1</sup>
Björn Twiehaus (until 31/03/2023)	2023	275	676
	Short fiscal year 2022	330	631
Stefan van Dalen (as of 01/04/2023)	2023	0	221
	Short fiscal year 2022	-	-
Jörg Weisgerber (as of 01/04/2023)	2023	0	297
	Short fiscal year 2022	-	-

<sup>1</sup> Does not take into account payments made by way of deferred compensation, which resulted in additional pension liabilities to Bernard Schäferbarthold with a present value of €2,988 thousand at the end of the short fiscal year 2022.

## Remuneration report for the fiscal year 2023

#### 4. Remuneration thresholds (“caps”) 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 equalling 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, the Shareholder Committee has defined a maximum amount of remuneration, which includes all remuneration elements (in particular also ancillary and other benefits as well as pension commitments) of a single fiscal year. It amounts to

€9,500 thousand for the President and CEO and €5,000 thousand for each of 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. In the fiscal year 2023, the total remuneration calculated in this way – including ancillary and other benefits and pension commitments – was below the maximum remuneration for all Management Board members.

Both cap and maximum remuneration complement the case-specific adjustment and clawback options described below by ensuring the avoidance of inappropriately high payouts irrespective of discretion.

#### Current members of the Management Board in office in the fiscal year 2023

in € thousand	Maximum remuneration <sup>1</sup>	Payment-oriented calculation in the fiscal year 2023 <sup>2</sup>
Michel Favre (Chairman in the fiscal year 2023)	9,500	2,317
Yves Andres	5,000	1,547
Dr Lea Corzilius (until 30/04/2023)	1,667	846
Bernard Schäferbarthold	5,000	2,048
Björn Twiehaus (until 31/03/2023)	1,250	885
Stefan van Dalen (as of 01/04/2023)	3,750	562
Jörg Weisgerber (as of 01/04/2023)	3,750	680

#### Former members of the Management Board<sup>3</sup>

Dr Rolf Breidenbach (until 30/06/2022)	9,500 <sup>4</sup>	831
Dr Frank Huber (until 30/06/2022)	5,000 <sup>4</sup>	282

<sup>1</sup> Calculated on a pro rata basis for the reduced period of service due to new members joining (Stefan van Dalen and Jörg Weisgerber) or leaving (Dr Lea Corzilius and Björn Twiehaus) during the year.

<sup>2</sup> Including fringe benefits, other benefits and pension commitments.

<sup>3</sup> For other former members of the Management Board who received payments from the Company in the fiscal year 2023, remuneration systems were still in place that did not provide for maximum remuneration. They are therefore not included in this presentation.

<sup>4</sup> Corresponds to the maximum remuneration at the time of active service.

## 5. 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. No use was made of this option in the fiscal year 2023.

The aforementioned instruments serve in particular to ensure the appropriateness of the variable remuneration and, in individual cases, enable the sanctioning of serious compliance breaches (“malus”).

## 6. Term of contract and termination benefits for Managing Directors

The term of the service contracts depends on the duration of the order. 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 eighteen 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 end of the term 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 amount serves to avoid unreasonably high settlements. For this purpose, the amount of annual remuneration to be used for calculation is defined as 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 allocated LTI instalments will be made, albeit reduced pro rata based on the remaining part of the calculation period. In certain cases, the LTI instalments not yet due for payment lapse completely upon exit (“bad leaver”). See Section I. 3. C) under *“Reductions if a board member joins and leaves the company during the year and on termination of their contract”*.

Severance payments totalling €1,208 thousand (Dr. Lea Corzilius) and €1,562 thousand (Björn Twiehaus) were paid to departing managing directors in the past fiscal year.

### C) Extraordinary right of termination of a managing director

One of the acting managing directors (Bernard Schäferbarthold) was granted an extraordinary right of termination due to a change of control at the Company. This termination right was triggered following the completion of the takeover of the Company by Faurecia SE (now: Forvia SE) on 31 January 2022 and would have entitled the Managing Director to a severance payment of twice his annual remuneration if exercised. In order to persuade him to remain on the Management Board, the Company agreed with the Managing Director to defer this right of termination until 30 June 2024. In return, a compensation arrangement was agreed that took into account the severance payment due

in the event of immediate termination. In the fiscal year 2023, the Company agreed a further adjustment to the right of termination with the Managing Director with the aim of retaining him on the Management Board. The right of termination has been extended until 31 December 2027 and can only be exercised if the Company decides on structural measures that mean that the Company no longer requires independent management with its own Chief Executive Officer and the Managing Director does not assume a position on the Board of Directors (*comité exécutif*) of the Forvia Group. As part of the further postponement of the termination, the compensation arrangement was fixed at the settlement amount of €3,045 thousand for the case of cancellation. This corresponds to the amount of the severance payment under the previous provision. Should the Company terminate his appointment before the end of the term of his service contract and terminate the service contract prematurely for this reason, the Managing Director will receive the settlement described above under I. 6. B). However, he is guaranteed a target achievement level of at least 100% in the calculation of the STI. Irrespective of this, he is also guaranteed a target achievement level of at least 100% in the calculation of the STI for the fiscal year 2024. The agreement concluded between Bernard Schäferbarthold and the Company in the fiscal year 2023 is subject to the condition precedent that a correspondingly adjusted remuneration system for the members of the Management Board is submitted to the Annual General Meeting for approval.

#### **D) Post-contractual non-competition clause**

The managing directors continue to be subject to a post-contractual non-competition clause, which is intended to protect the Company's interests by preventing the managing directors from being employed subsequently by major competitors of HELLA GmbH & Co. KGaA. The duration of the post-contractual non-competition clause is agreed individually and ranges from twelve to twenty-four months. During the non-competition period, 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 I. 3. E). 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 a compelling reason, the Company will immediately be released from the obligation to pay compensation if it has waived compliance with the non-compete clause before or at the same time as the end of the service agreement.

In the fiscal year 2023, no compensation payments were made in accordance with the said rules (prior year: €0 thousand).

### **7. Special commitments on the occasion of taking up the position of Managing Director**

In individual cases, the Shareholder Committee may make special commitments to an appropriate extent in order to recruit qualified individuals for the position of Managing Director. The special commitments may consist, for example, of payments at the time of joining (sign-on bonuses), the assurance of target achievement levels or payout amounts for STI and/or LTI or financial compensation for remuneration or pension entitlements from the previous employer that are cancelled due to the change to the Company.

In the past fiscal year 2023, the Company made use of this option to recruit Jörg Weisgerber and Stefan van Dalen to the Management Board. Both have been promised that the STI for the fiscal year 2023 will be calculated with a target achievement level of 80% if the actual target achievement level is lower.

### **8. 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.

## 9. Temporary deviation from the remuneration system

In exceptional cases, the Shareholder Committee may temporarily deviate from the remuneration system and its components (including the procedure and regulations on the remuneration structure) as well as from the conditions of individual remuneration components or introduce new remuneration components if this is necessary in the interests of the long-term well-being of the company, particularly in the event of a corporate crisis, restructuring of the company or in the event of far-reaching changes to the general economic conditions. The deviation requires a resolution of the Shareholder Committee, in which the exceptional circumstances and the necessity of a deviation are to be determined. The Shareholder Committee's discretionary correction option for the variable remuneration components remains unaffected by this.

The Company did not make use of this option in the past fiscal year 2023.

## 10. Remuneration granted and owed to the members of the Management Board

The following table shows – grouped into current and former members of the Management Board in the fiscal year 2023 – the individual remuneration granted and owed to the members of the Management Board in accordance with Section 162 (1) AktG for the fiscal year 2023. The remuneration is deemed “granted” when the activity on which it is based has been performed in full, irrespective of whether it is received in the fiscal year itself or at the beginning of the following fiscal year. In the case of the multi-year variable remuneration (LTI), this is the case at the end of the calculation or reference period. The remuneration is deemed “owed” when the Company has a legal obligation towards the members of the Management Board that is due but not yet fulfilled.

in € thousand	Fixed salary	One-year variable remuneration (STI)	Multiple-year variable remuneration (LTI) <sup>1</sup>	Total fixed salary and variable remuneration	Other <sup>2</sup>	Total remuneration according to AktG
<b>Current members of the Management Board in office in the fiscal year 2023</b>						
Michel Favre	901	1,008	0	1,909	29	1,939
Yves Andres	584	629	0	1,213	36	1,249
Dr Lea Corzilius (until 30/04/2023)	202	232	0	435	1,211	1,646
Bernard Schäferbarthold	690	772	0	1,462	18	1,480
Björn Twiehaus (until 31/03/2023)	156	141	66	363	1,573	1,935
Stefan van Dalen (as of 01/04/2023)	330	379	0	709	6	716
Jörg Weisgerber (as of 01/04/2023)	439	395	0	834	51	885
<b>Total</b>	<b>3,302</b>	<b>3,557</b>	<b>66</b>	<b>6,924</b>	<b>2,925</b>	<b>9,849</b>
<b>Former members of the Management Board<sup>3</sup></b>						
Dr. Jürgen Behrend	0	0	0	0	465	465
Dr. Werner Benade	0	0	0	0	71	71
Stefan Osterhage	0	0	0	0	106	106

<sup>1</sup> Represents the payment amount of the LTI instalment expiring in the respective fiscal year.

<sup>2</sup> In the case of active members of the Management Board, other remuneration includes, in particular, non-cash benefits from the use of company cars and the assumption of work-related expenses for double households. In the cases of Dr Lea Corzilius and Björn Twiehaus, the item also includes severance payments of €1,208 thousand and €1,562 thousand respectively. In the case of the former members of the Management Board, other remuneration includes pension payments in the case of Dr Jürgen Behrend and a payment from the company-financed capital account in the cases of Dr Werner Benade and Stefan Osterhage.

<sup>3</sup> Pension payments totalling €491 thousand were made in the fiscal year 2023 for members of the Management Board who left their positions at least 10 years ago.

## Remuneration report for the fiscal year 2023

The above table – in combination with the table presented above under Section I. 3 E) on individual service costs – contains all information within the meaning of Sample table 2 to Section 4.2.5, para. 3 (2nd indent) of the German Corporate Governance Code (DCGK) in the version of 7 February 2017 on remuneration received or yet to be received.

The individual remuneration of the members of the Management Board for the fiscal year 2023 shown in the table above thus corresponds to the following relative distribution:

%	Fixed salary	One-year variable remuneration (STI)	Multiple-year variable remuneration (LTI) <sup>1</sup>	Ratio of fixed remuneration to variable remuneration	Other	Total remuneration according to AktG
<b>Current members of the Management Board in office in the fiscal year 2023</b>						
Michel Favre	46%	52%	0%	1:1.1	2%	100%
Yves Andres	47%	50%	0%	1:1.0	3%	100%
Dr. Lea Corzilius	12%	14%	0%	1:1.1	74%	100%
Bernard Schäferbarthold	47%	52%	0%	1:1.1	1%	100%
Björn Twiehaus (until 31/03/2023)	8%	7%	3%	1:1.2	81%	100%
Stefan van Dalen (as of 01/04/2023)	46%	53%	0%	1:1.1	1%	100%
Jörg Weisgerber (as of 01/04/2023)	50%	45%	0%	1:0.8	6%	100%
<b>Former members of the Management Board</b>						
Dr. Jürgen Behrend	0%	0%	0%	- <sup>1</sup>	100%	100%
Dr. Werner Benade	0%	0%	0%	- <sup>1</sup>	100%	100%
Stefan Osterhage	0%	0%	0%	- <sup>1</sup>	100%	100%

<sup>1</sup> No variable remuneration was granted to former members of the Management Board in the fiscal year 2023. For this reason, no ratio of fixed remuneration to variable remuneration can be specified.

## 11. Liability remuneration for HELLA Geschäftsführungsgesellschaft mbH

Under Article 8 of the Articles of Association, HELLA Geschäftsführungsgesellschaft mbH as the General Partner receives liability remuneration of 5% of its paid-in share capital payable on the balance sheet date. The Company spent €1 thousand (prior year: €1 thousand) on this.

## II. Remuneration of the Supervisory Board

Under Article 16 of the Articles of Association, the Annual General Meeting determines the remuneration payable to the members of the Supervisory Board. According to the currently valid resolution of the Annual General Meeting of 30 September 2022, the remuneration system for the members of the Supervisory Board provides for the following components. In accordance with the recommendation G.18 sentence 1 of the GCGC, this is a purely fixed remuneration which, in the opinion of the Company, is best suited to the task profile of the Supervisory Board (100% fixed remuneration). The latter's task profile is to advise and monitor the Management Board impartially and without being influenced by financial incentives. In the Company's estimation, this is the best way to promote the Company's business strategy and long-term performance.

In accordance with recommendation G.17 of the GCGC, the higher time commitment of the Chairman and Deputy Chairman of the Supervisory Board as well as the Chairman and members of committees is appropriately taken into account and additionally remunerated.

The following remuneration, as broken down, is granted to the members of the Supervisory Board:

- Members of the Supervisory Board receive fixed annual remuneration of €50 thousand.
- The Chairman of the Supervisory Board receives annual remuneration of €200 thousand, and each Deputy receives annual remuneration of €100 thousand.
- Each member of the Audit Committee receives additional annual remuneration of €25 thousand. The Chairman of the Audit Committee receives additional annual remuneration of €50 thousand.

The members of the Nomination Committee do not receive any additional remuneration. All members of the Supervisory Board are reimbursed for all expenses which they incur in the performance of their duties plus any value added tax. No attendance fees are paid.

Members serving on the Supervisory Board for only part of the fiscal year receive a corresponding time-proportionate amount. This applies accordingly to membership of the Audit Committee and the assumption of the chairmanship or deputy chairmanship of the Supervisory Board or the Audit Committee.

As members of the Company's governing bodies, the members of the Supervisory Board are covered by the Group's D&O insurance. This cover is subject to an excess of at least 10% per claim, which however is capped at one-and-a-half times the fixed annual remuneration.



## Remuneration report for the fiscal year 2023

The following table shows the individual remuneration granted and owed to the members of the Supervisory Board for the fiscal year 2023. The remuneration is deemed "granted" when the activity on which it is based has been performed in full, irrespective of whether it is received in the fiscal year

itself or at the beginning of the following fiscal year. The remuneration is deemed "owed" when the Company has a legal obligation towards the members of the Supervisory Board that is due but not yet fulfilled:

<b>in € thousand</b>	Fixed remuneration	Remuneration for committee work	Total remuneration
Andreas Renschler (Chairman)	200	-	200
Britta Peter (Deputy Chairwoman)	100	-	100
Tatjana Bengsch	50	-	50
Judith Buss	50	50	100
Paul Hellmann	50	25	75
Gabriele Herzog	50	25	75
Susanna Hülsbömer	50	-	50
Rupertus Kneiser	50	-	50
Oliver Lax	50	-	50
Andreas Marti	50	-	50
Thorsten Muschal	50	-	50
Christian van Remmen	50	25	75
Christoph Rudiger	50	-	50
Dr Michaela Schäfer (until 31/01/2023)	4	-	4
Franz-Josef Schütte	50	-	50
Kirsten Schütz	50	-	50
Anke Sommermeyer (as of 11/07/2023)	24	-	24
<b>Total</b>	<b>978</b>	<b>125</b>	<b>1,103</b>

### III. Remuneration of the Shareholder Committee

Under Article 28 of the Articles of Association, the Annual General Meeting determines the remuneration payable to the Shareholder Committee. According to the currently valid resolution of the Annual General Meeting of 28 April 2023, the remuneration system for the members of the Shareholder Committee provides for the following components: As with the Supervisory Board, this is a purely fixed remuneration (100% fixed remuneration). The Shareholder Committee, too, has the task of advising and monitoring the Management Board impartially and without being influenced by financial incentives, because in the Company's estimation this is the best way to promote its business strategy and long-term performance.

The Chairman of the Shareholder Committee receives an annual remuneration of €360 thousand. All other members receive an annual remuneration of €120 thousand. Members serving on the Shareholder Committee for only part of the fiscal year receive a corresponding time-proportionate amount. This applies accordingly to the assumption of the chair of the Shareholder Committee. There is no additional remuneration for membership of committees.

All members of the Shareholder Committee are entitled to be reimbursed for all expenses which they incur in the performance of their duties, and for any value added tax. No attendance fees are paid.

As members of the Company's governing bodies, the members of the Shareholder Committee are covered by the Group's D&O insurance. This cover is subject to an excess of at least 10% per claim, which however is capped at one-and-a-half times the fixed annual remuneration.

The following table shows the individual remuneration granted and owed to the members of the Shareholder Committee for the fiscal year 2023. The remuneration is deemed "*granted*" when the activity on which it is based has been performed in full, irrespective of whether it is received in the fiscal year itself or at the beginning of the following fiscal year. The remuneration is deemed "*owed*" when the Company has a legal obligation towards the members of the Shareholder Committee that is due but not yet fulfilled:

in € thousand	Total remuneration
Dr Wolfgang Ziebart (Chairman)	360
Patrick Koller (Deputy Chairman)	120
Judith Buss	120
Nolwenn Delaunay (until 10/11/2023)	103
Olivier Durand	120
Andreas Renschler	120
Christophe Schmitt	120
Jean-Pierre Souillac	120
<b>Total</b>	<b>1,183</b>

## IV. Comparative presentation of earnings trends of the Company and the Group, remuneration of employees and the governing bodies

In accordance with Section 162 (1) sentence 2 no. 2 AktG, the following table shows trends in HELLA's earnings, the change in the average remuneration of employees on a full-time equivalent basis and the change in the remuneration of the members of the Management Board, the Supervisory Board and the Shareholder Committee. For the comparative presentation, use was made of the transitional regulation pursuant to Section 26j (2) sentence 2 EGAktG in such a way that the comparison shown begins with the fiscal year 2020/2021. The presentation of annual changes will be further expanded in the coming reporting year.

The presentation of average employee remuneration is based on the workforce in the German Group companies<sup>1</sup> in the consolidated financial statements for the fiscal year 2023. This group of people comprised an average of 7,812 employees (on a full-time equivalent basis)<sup>2</sup> in the fiscal year 2023. The average annual remuneration of employees for the fiscal year comprises the gross remuneration paid plus the employer's contribution to social security and non-cash benefits granted, less settlements and inventor's compensation. Payments of short-time working allowances were

not taken into account as a remuneration component. Remuneration received by employees for serving on the Supervisory Board of HELLA GmbH & Co. KGaA were also not taken into account.

For the members of the Management Board, the Supervisory Board and the Shareholder Committee, the remuneration granted and owed in the respective fiscal year is presented. The remuneration is deemed "*granted*" when the activity on which it is based has been performed in full, irrespective of whether it is received in the fiscal year itself or at the beginning of the following fiscal year. For the multi-year variable remuneration (LTI), this is the case at the end of the calculation period. The remuneration is deemed "*owed*" when the Company has a legal obligation towards the members of the respective corporate body that is due but not yet fulfilled.

The percentage changes compared to the short fiscal year 2022 are only of very limited significance due to the shortened fiscal year and cannot be equated with a corresponding change in remuneration or a corresponding development in earnings.

<sup>1</sup> With the exception of Docter Optics SE and its German subsidiaries.

<sup>2</sup> Excluding external temporary workers, doctoral students, trainees, apprentices and interns; pro rata consideration of part-time employees and employees in partial retirement.

## Remuneration report for the fiscal year 2023

	Fiscal year 2023 (in € thousand)	Change in % <sup>1</sup>	Short fiscal year 2022 (in € thousand)	Change in % <sup>1</sup>	Fiscal year 2021/2022 (in € thousand)	Change in % <sup>1</sup>	Fiscal year 2020/2021 (in € thousand)
<b>I. Earnings trends</b>							
Net loss/profit for the year of HELLA GmbH & Co. KGaA (HGB)	66,794	-76%	283,382	+709%	35,047	+196%	-36,558
Group EBIT (adjusted)	504,902	+127%	222,045	-20%	278,816	-45%	510,405
Operating income (adjusted)	486,345	+150%	194,773	- <sup>3</sup>	- <sup>2</sup>	- <sup>3</sup>	- <sup>2</sup>
<b>II. Average remuneration of employees on a full-time equivalent basis (in € thousand)</b>							
Group workforce in Germany	87	+69%	51	-39%	84	+9%	77
<b>III. Remuneration of the Management Board</b>							
<b>Current members of the Management Board in office in the fiscal year 2023</b>							
Michel Favre (as of 01/07/2022, Chairman)	1,939	+41%	1,377	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>
Yves Andres (as of 15.04.2022)	1,249	+38%	908	+1,079%	77	- <sup>5</sup>	- <sup>4</sup>
Dr Lea Corzilius (until 30/04/2023)	1,646 <sup>6</sup>	+70%	966	+57%	616	-39%	1,002
Bernard Schäferbarthold	1,480	+1%	1,460	+28%	1,144	-56%	2,583
Björn Twiehaus (until 31/03/2023)	1,935 <sup>6</sup>	+79%	1,083	34%	809	-46%	1,503
Stefan van Dalen (as of 01/04/2023)	716	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>
Jörg Weisgerber (as of 01/04/2023)	885	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>
<b>Former members of the Management Board</b>							
Dr. Jürgen Behrend	465	+75%	266	-41%	454	-30%	653
Dr. Werner Benade	71	+103%	35	+327%	8	-97%	247
Stefan Osterhage	106	0%	106	-15%	124	-67%	389
<b>IV. Remuneration of the Supervisory Board</b>							
Andreas Renschler (as of 30/09/2022, Chairman)	200	+292%	51	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>
Britta Peter (Deputy Chairwoman)	100	+115%	47	-6%	50	0%	50
Tatjana Bengsch	50	+71%	29	+93%	15	- <sup>5</sup>	- <sup>4</sup>
Judith Buss (as of 30/09/2022)	100	+292%	25	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>
Paul Hellmann	75	+71%	44	-41%	75	0%	75
Gabriele Herzog	75	+71%	44	+110%	21	- <sup>5</sup>	- <sup>4</sup>
Susanna Hülsbömer	50	+71%	29	-42%	50	0%	50
Rupertus Kneiser	50	+71%	29	+93%	15	- <sup>5</sup>	- <sup>4</sup>
Oliver Lax (as of 23/07/2022)	50	+125%	22	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>
Andreas Marti	50	+71%	29	+93%	15	- <sup>5</sup>	- <sup>4</sup>
Thorsten Muschal	50	+71%	29	+93%	15	- <sup>5</sup>	- <sup>4</sup>
Christian van Remmen (as of 23/07/2022)	75	+127%	33	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>
Christoph Rudiger	50	+71%	29	-42%	50	0%	50
Dr Michaela Schäfer (01/07/2022 to 31/01/2023)	4	-83%	25	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>
Franz-Josef Schütte	50	+71%	29	-42%	50	0%	50
Kirsten Schütz	50	+71%	29	+93%	15	- <sup>5</sup>	- <sup>4</sup>
Anke Sommermeyer (as of 11/07/2023)	24	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>

## Remuneration report for the fiscal year 2023

**V. Remuneration of the Shareholder Committee**

Dr Wolfgang Ziebart (as of 30/09/2022, Chairman)	<b>360</b>	+230%	<b>109</b>	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>
Patrick Koller (Deputy Chairman)	<b>120</b>	+71%	<b>70</b>	+84%	38	- <sup>5</sup>	- <sup>4</sup>
Judith Buss (as of 30/09/2022)	<b>120</b>	+229%	<b>36</b>	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>
Nolwenn Delaunay (until 10/11/2023)	<b>103</b>	+47%	<b>70</b>	+84%	38	- <sup>5</sup>	- <sup>4</sup>
Olivier Durand (as of 14/07/2022)	<b>120</b>	+113%	<b>56</b>	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>
Andreas Renschler (as of 30/09/2022)	<b>120</b>	+229%	<b>36</b>	- <sup>5</sup>	- <sup>4</sup>	- <sup>5</sup>	- <sup>4</sup>
Christophe Schmitt	<b>120</b>	+71%	<b>70</b>	+84%	38	- <sup>5</sup>	- <sup>4</sup>
Jean-Pierre Sounillac	<b>120</b>	+71%	<b>70</b>	+84%	38	- <sup>5</sup>	- <sup>4</sup>

<sup>1</sup> Percentage changes always refer to the development compared to the prior fiscal year.

<sup>2</sup> The operating income (adjusted) key figure was reported for the first time in the fiscal year 2023. It replaces the previously reported earnings indicator EBIT (adjusted).

<sup>3</sup> It is not possible to calculate a change as the operating income (adjusted) key figure was not reported in the prior year.

<sup>4</sup> As not a member of a committee or of the Management Board, no remuneration was paid for the fiscal year.

<sup>5</sup> It is not possible to calculate a change, as the member did not take office until a later fiscal year or no remuneration was granted or owed in prior years.

<sup>6</sup> Includes the severance payments of €1,208 thousand (Dr Lea Corzilius) and €1,562 thousand (Björn Twiehaus) paid in the fiscal year 2023.

Lippstadt, 11 March 2024

For the General Partner

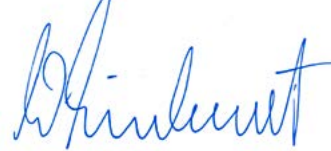


**Bernard Schäferbarthold**  
(Chief Executive Officer)



**Stefanie Rheker**  
(Managing Director)

For the Shareholder Committee



**Dr.-Ing. Wolfgang Ziebart**  
(Chair)



**Yves Andres**  
(Managing Director)



**Stefan van Dalen**  
(Managing Director)



**Philippe Vienney**  
(Managing Director)



**Jörg Weisgerber**  
(Managing Director)

# Auditor's report on the audit of the remuneration report pursuant to § 162 (3) AktG

To HELLA GmbH & Co. KGaA, Lippstadt

## Audit opinion

We have formally audited the remuneration report of HELLA GmbH & Co. KGaA for the financial year from January 1, 2023 to December 31, 2023 to determine whether the disclosures pursuant to § 162 (1) and (2) German Stock Corporation Act (AktG) [Aktiengesetz] have been presented in the remuneration report. In accordance with § 162 (3) AktG, we have not verified the content of the remuneration report.

According to our assessment, the enclosed remuneration report provides, in all material respects, the information required by § 162 (1) and (2) AktG. Our audit opinion does not cover the content of the remuneration report.

## Basis for the audit opinion

We conducted our audit of the remuneration report in accordance with § 162 (3) AktG and in compliance with the IDW auditing standard: The audit of the remuneration report [Die Prüfung des Vergütungsberichts] in accordance with § 162 (3)

AktG (IDW PS 870 (09.2023)). Our responsibility pursuant to that provision and standard is further described in the section "Responsibility of the auditor" of our report.

As an auditing firm, we have applied the requirements of the International Standard on Quality Management (ISQM 1). We have complied with the professional duties pursuant to the German Auditors' Code [Wirtschaftsprüferordnung] and the professional statutes for auditors/sworn auditors [Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer], including the requirements of independence.

## Responsibility of the Managing Directors and Shareholder Committee

The Management Board and the Shareholder Committee of HELLA GmbH & Co. KGaA are responsible for the preparation of the remuneration report, including the related disclosures, which complies with the requirements of § 162 AktG. Furthermore,

they are responsible for the internal controls that they determine are necessary to enable the compilation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

## Responsibility of the auditor

Our objective is to obtain reasonable assurance about whether the disclosures pursuant to § 162 (1) and (2) AktG in the remuneration report have been made in all material respects, and to express an opinion thereon in a report.

We planned and performed our audit to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by § 162 (1) and (2) AktG. In accordance with § 162 (3) AktG, we have not audited the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures or the adequate presentation of the remuneration report.

## Dealing with possible misleading representations

In connection with our audit, we have a responsibility to read the remuneration report, taking into account the knowledge gained from the audit of the financial statements, and to remain alert for indications as to whether the remuneration report contains misleading representations as to the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures or the adequate presentation of the remuneration report.

If, based on the work we have performed, we conclude that such misleading representation exists, we are required to report that fact. We have nothing to report in this regard.

Frankfurt am Main, March 13, 2024

**Mazars GmbH & Co. KG**  
**Wirtschaftsprüfungsgesellschaft**  
**Steuerberatungsgesellschaft**

In the original German version signed by:

Dr. Marcus Borchert  
Wirtschaftsprüfer/in  
(German Public Auditor)

Dr. Julia Füssel  
Wirtschaftsprüfer/in  
(German Public Auditor)



HELLA GmbH & Co. KGaA  
Rixbecker Strasse 75  
59552 Lippstadt / Germany  
Tel. + 49 2941 38 - 0  
Fax +49 294138-71 33  
info@HELLA.com  
www.HELLA.com  
© HELLA GmbH & Co. KGaA,  
Lippstadt

