



Principles for the remuneration of the members of the Executive Board and the Supervisory Board of PIERER Mobility AG (remuneration policy)

I. INTRODUCTION

The remuneration system of PIERER Mobility AG implements the recommendations of the Austrian Code of Corporate Governance (ÖCGK) and the legal requirements of the Austrian Stock Corporation Act (Sections 78a ff and 98a) and was drawn up in accordance with EU Directive 2017/828.

Pursuant to Section 78b (1) of the Austrian Stock Corporation Act (AktG), the remuneration policy must be submitted to the Annual General Meeting to be voted on at least in every fourth financial year. The remuneration policy was put to the vote and approved for the first time at the Annual General Meeting on May 15, 2020. The remuneration policy must therefore be put to the vote again at the Annual General Meeting on April 19, 2024.

The Supervisory Board has essentially based its remuneration policy on the principles of the tried and tested policy practised to date. The established Remuneration Committee plays a special role in connection with remuneration.

II. BUSINESS STRATEGY AND LONG-TERM DEVELOPMENT

PIERER Mobility AG is the parent company of the PIERER Mobility group and acts as a managing holding company. It does not employ any staff itself. PIERER Mobility AG is the umbrella company for Europe's leading manufacturer of powered two-wheelers, producing a complete premium brand range of KTM, GASGAS and Husqvarna Motorcycles. The group's innovative strength makes it a pioneering leader in technology for two-wheeled electric mobility through its motorcycle brands. The Husqvarna E-Bicycles and GASGAS Bicycles brands complement the two-wheeler range. The group's premium brand range also includes high-performance components of the WP brand and KTM X-BOW high-performance sports cars. Following the strategic partnership with Bajaj in India, the company has been able to diversify its production capacities in recent years and increase its competitiveness in the global market. The cooperation with CFMOTO in China and the joint venture with Maxcom in Bulgaria will boost both bicycle and motorcycle production over the long term.

With the exception of Hubert Trunkenpolz and Alex Pierer, all members of the company's Executive Board also hold positions on the Executive Board of the largest subsidiary, KTM AG.

The business strategy and the long-term development of the company as the parent company of the PIERER Mobility group are to be promoted in particular by structuring the variable remuneration accordingly.

III. REMUNERATION OF THE EXECUTIVE BOARD

1) PRINCIPLES OF EXECUTIVE BOARD REMUNERATION

When determining the total remuneration for the members of the Executive Board, the Supervisory Board must ensure that the remuneration is commensurate with the tasks and performance of the individual Executive Board member, the situation of the company and the usual remuneration, and that long-term incentives for sustainable corporate development are taken into account.

The remuneration of the members of the Executive Board in principle results from agreements under private law concluded between the member of the Executive Board and the company, which is represented by the Supervisory Board.

The remuneration policy is reviewed regularly by the Supervisory Board. When drawing up the remuneration policy, particular consideration was given to the size of the company and the subsidiaries under its management, the internal organization, compliance with the strategy, and the interests and values of the company. The remuneration should reflect the scope and complexity of the business as well as the role and responsibility of the Executive Board members and be competitive in the market. The criteria are function, assumption of management tasks, professional and personal qualifications and relevant experience. No external benchmarking takes place with regard to the remuneration or remuneration structure.

None of the current members of the Executive Board of PIERER Mobility AG receives any direct remuneration from the company.

The Executive Board member Stefan Pierer works on the basis of a posting agreement which exists between Pierer Konzerngesellschaft mbH and KTM AG.

Executive Board members, Hubert Trunkenpolz, Viktor Sigl, Florian Kecht, Rudolf Wiesbeck and Florian Burguet each have (Executive Board) employment contracts with KTM AG.

Mr. Alex Pierer has a valid employment relationship with Pierer Konzerngesellschaft mbH. Some of the costs incurred in connection with his remuneration at Pierer Konzerngesellschaft mbH level are borne by the company under a posting agreement concluded between Pierer Konzerngesellschaft mbH and LX Media GmbH as well as between Pierer Konzerngesellschaft mbH and Pierer Innovation GmbH, which are both subsidiaries of PIERER Mobility AG where Alex Pierer holds a position of managing director.

The existing contracts do not contain any provisions for a company pension scheme. In addition, they are generally subject to the "new severance payment" system.

The remuneration to which the members of the company's Executive Board are entitled as described above consists of a fixed monthly basic salary and variable components.

2) REMUNERATION OF MEMBERS OF THE EXECUTIVE BOARD

The remuneration includes in each case

- non-performance-related remuneration (fixed remuneration),
- fringe benefits and
- performance-related remuneration (variable remuneration).

There are no share option programmes or similar share-based payment schemes.

a) Fixed remuneration

Each member of the Executive Board receives a basic salary, which consists of an annual fixed salary and is paid in 14 equal instalments.

The basic salary is a fixed monthly salary at a competitive level that incentivises the members of the Executive Board to act for the benefit of the shareholders and employees as well as the company.

In the event that a member of the Executive Board is unable to work due to illness or accident, the remuneration due to the Executive Board member shall continue to be paid subject to the provisions of the Austrian White Collar Employees Act (AngG) on continued payment of remuneration and for the period stipulated therein.

The remuneration includes a lump-sum payment for all services rendered in excess of normal working hours. The gross remuneration increases in each case in accordance with the actual salary increase for the highest salary group of the framework collective bargaining agreement for white collar employees in the industry.

No additional remuneration is granted for intragroup mandates and functions.

b) Fringe benefits

The fringe benefits include the following components:

- Use of a company car in the BMW 5 Series, Audi A6 or a similar category, which is also available for private use. The car is provided without a mileage limit. The taxes attributable to the value of the benefit in kind for private use are borne entirely by the member of the Executive Board.
- Accident insurance provides cover in the event of death or disability, while personal liability insurance covers the legal liability of the members of the Executive Board resulting from personal injury, property damage or financial losses suffered by third parties.
- There is insurance cover for claims for damages due to financial losses suffered by third parties or the company due to breaches of duty as a member of the company's executive bodies. The costs of this insurance are borne by the company.
- D&O insurance (directors' and officers' liability insurance) is in place for the members of the Executive Board.

c) Variable remuneration

The members of the Executive Board are entitled to a variable remuneration component. The variable components of remuneration are defined in advance in individual contracts in such a way that they are linked to measurable, sustainable, long-term and multi-year performance criteria and do not encourage the taking of inappropriate risks. The variable remuneration is based on the EBT and free cash flow of the KTM group for the financial year, whereby the applicability, weighting and volume of these criteria is determined individually depending on the area of responsibility of the respective Executive Board member.

Fixed points or intervals are set for agreed targets, which are used to measure fulfilment or non-fulfilment or the relationship between over- or under-fulfilment of the target value and the corresponding increase or decrease in the payment of variable remuneration components.

The agreement of variable remuneration may also be waived for individual members of the Executive Board if this is in the interest of the company.

3) REMUNERATION AND EMPLOYMENT CONDITIONS OF EMPLOYEES

To ensure an adequate relationship between the remuneration of the Executive Board and the remuneration and employment conditions of the company's employees, the monthly basic salary of a member of the Executive Board should not exceed 20 times the average monthly basic salary of the group's employees working in Austria, calculated on a full-time basis.

4) PENSION FUND

There are no agreements with the Executive Board regarding company pension schemes.

5) DETERMINATION, REVIEW AND IMPLEMENTATION OF THE REMUNERATION POLICY

The remuneration policy is adopted by the Supervisory Board and submitted to the Annual General Meeting for a vote at least every fourth financial year.

The remuneration policy was drawn up by the Supervisory Board for the first time in 2020 and submitted to the Annual General Meeting on May 15, 2020 for approval. The 2020 Annual General Meeting approved the remuneration policy for the Executive Board and Supervisory Board.

If, in the view of the Remuneration Committee changes to the remuneration policy are necessary, these are proposed to the Supervisory Board and subsequently put to a vote at the Annual General Meeting.

6) TERM OF THE EXECUTIVE BOARD MANDATES

As a rule, members of the Executive Board are appointed or reappointed and Executive Board contracts are concluded for the maximum statutory term.

7) TERMINATION OF AN EXECUTIVE BOARD MANDATE

The Executive Board contracts/employment contracts or any posting agreements are fixed-term contracts concluded for the respective term which can only be terminated with immediate effect during the term for good reasons (in particular reasons under Section 27 of the Austrian White Collar Employees Act).

In the event of resignation from office without good cause and without the consent of the Supervisory Board, as well as in the event of premature termination of the appointment to the Executive Board by the company for a reason specified in Section 75 Austrian Stock Corporation Act (AktG), any existing employment contract or contract of assignment shall also end.

In the event of premature dismissal without good cause, the fixed basic salary for the term of the contract must be paid out.

8) DEVIATIONS FROM THE REMUNERATION POLICY

In order to ensure the long-term development of the company, the Remuneration Committee or the Supervisory Board may temporarily deviate from this remuneration policy in exceptional circumstances in accordance with Section 78a (8) Austrian Stock Corporation Act (AktG). Exceptional circumstances exist if a deviation from the remuneration policy is necessary for the long-term development of the company.

In the event of an intended deviation from the remuneration policy, a corresponding proposal must be submitted to the Supervisory Board, explaining why an exceptional circumstance exists. Following approval by the Supervisory Board, the Remuneration Committee may conclude deviating contractual obligations with the members of the Executive Board. This exceptional circumstance must be addressed in the next remuneration report to be submitted to the Annual General Meeting.

The Supervisory Board has not yet made use of this option.

IV. REMUNERATION OF THE SUPERVISORY BOARD

1) PRINCIPLES OF REMUNERATION FOR MEMBERS OF THE SUPERVISORY BOARD

The Remuneration Committee or Supervisory Board is responsible for both the preparation and regular review of the remuneration policy for Supervisory Board members. The full Supervisory Board is responsible for drawing up the remuneration policy for the Supervisory Board. In accordance with Section 98 Austrian Stock Corporation Act (AktG), the remuneration of the Supervisory Board is determined annually by the Annual General Meeting.

Supervisory Board remuneration consists exclusively of an attendance fee for Supervisory Board and committee meetings. The amount of the total remuneration of the Supervisory Board for the respective past financial year is decided at the Annual General Meeting. When preparing the proposed resolution and adopting the resolution at the Annual General Meeting, the Supervisory Board is generally free to exercise its discretion, although the responsibility and scope of activities as well as the economic situation of the company must be taken into account. If Supervisory Board members are also shareholders of the company, they are not prohibited from voting on the remuneration of Supervisory Board members.

In order to guarantee impartial supervision of the management by the Supervisory Board, the members of the Supervisory Board are not granted any variable remuneration.

In addition to the annual expense allowance, the members of the Supervisory Board receive a cash reimbursement for expenses actually incurred. Furthermore, the members of the Supervisory Board are covered up to a certain maximum amount by the company's manager liability insurance, which covers the personal liability of the members of the Supervisory Board in the event of a negligent breach of duty in the performance of their duties as a body of the company. In addition, Supervisory Board members are covered by D&O insurance (directors' and officers' liability insurance).

There are no contractual relationships under labour law between PIERER Mobility AG and the representatives on the Supervisory Board and therefore no pension provisions, notice periods or conditions for termination and the payments to be made.

2) REMUNERATION OF SUPERVISORY BOARD MEMBERS

Each elected member of the Supervisory Board receives an attendance fee for each meeting of the Supervisory Board that the member attends, up to a maximum of the following amounts:

- Chairman of the Supervisory Board: up to EUR 3,000.00 per meeting,
- Member of the Supervisory Board: up to EUR 2,000.00 per meeting and
- Member of the Audit Committee: up to EUR 2,000.00 per meeting.

Services outside of Supervisory Board activities, i.e. consultancy services provided by the respective Supervisory Board members, are remunerated at standard market conditions and are published in the annual report under Related Party Transactions.

3) REMUNERATION AND EMPLOYMENT CONDITIONS OF EMPLOYEES

To ensure an adequate relationship between the remuneration of the Supervisory Board and the remuneration and employment conditions of the company's employees, the annual remuneration of a Supervisory Board member should not exceed twice the average annual gross remuneration of the group's employees working in Austria, calculated on a full-time basis.

4) DEFINITION AND IMPLEMENTATION OF THE REMUNERATION POLICY

The remuneration policy is adopted by the Supervisory Board and submitted to the vote of the Annual General Meeting at least in every fourth financial year.

The remuneration policy was drawn up by the Supervisory Board for the first time in 2020 and submitted to the Annual General Meeting on May 15, 2020 for approval. The 2020 Annual General Meeting approved the remuneration policy for the Executive Board and Supervisory Board.

If, in the view of the Remuneration Committee, changes to the remuneration policy are necessary, these are proposed to the Supervisory Board and subsequently put to the vote at the Annual General Meeting.

5) TERM OF OFFICE

The term of office of the elected Supervisory Board member Josef Blazicek ends at the end of the Annual General Meeting that has to resolve on the discharge for the 2025 financial year. The term of office of the elected Supervisory Board members Rajiv Bajaj, Iris Filzwieser, Michaela Friepeß and Srinivasan Ravikumar ends at the end of the Annual General Meeting that has to resolve on the discharge for the 2026 financial year. The term of office of the elected Supervisory Board member Friedrich Roithner ends at the end of the Annual General Meeting that has to resolve on the discharge for the 2027 financial year. Unless the Annual General Meeting decides otherwise, new Supervisory Board members are always elected for the maximum term in accordance with Section 87 (7) Austrian Stock Corporation Act (AktG).

6) DEVIATIONS FROM THE REMUNERATION POLICY

In the event of exceptional circumstances, the Annual General Meeting may temporarily adjust the amount of Supervisory Board remuneration and attendance fees to the company's situation if this is deemed necessary for the long-term development of the company or to ensure profitability.



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