

Declaration of Corporate Governance pursuant to sections 289f and 315d of the HGB

In the Declaration of Corporate Governance pursuant to sections 289f and 315d of the HGB, the Executive Board and Supervisory Board report on corporate governance at RATIONAL in accordance with principle 23 of the current version of the German Corporate Governance Code dated 28 April 2022 (2022 Code). The report is supplemented by the remuneration report. The declaration of corporate governance is part of the management report of RATIONAL AG and the group management report in accordance with sections 289f and 315d of the HGB.

Remuneration report and remuneration system

The remuneration report pursuant to section 162 of the AktG for fiscal year 2024 can be found on RATIONAL website at rat.ag/publications and in the 2024 Annual Report. The auditors' opinion pursuant to section 162 of the AktG, the applicable remuneration system pursuant to section 87a (1) and (2) sentence 1 of the AktG and the latest remuneration resolution pursuant to section 113 (3) of the AktG are also publicly available on RATIONAL website at rat.ag/investors.

Key corporate governance practices and compliance

Responsible, sustainable, and socially aware actions have always been a basic element of the corporate culture of RATIONAL AG and a foundation of the company's success. This includes integrity in dealings with customers, employees, business partners, shareholders, and the public.

By compliance, RATIONAL understands adherence to legislation, laws and the Articles of Association, together with observance of other internal regulations. RATIONAL AG continued to develop its own corporate governance in fiscal year 2024.

RATIONAL largely complied with the recommendations of the German Corporate Governance Code. Where RATIONAL AG departs from the recommendations of the Code, this is reported in the following declaration of conformity. Other voluntary commitments exist in the form of compliance agreements with a number of our chain customers. The company has developed a comprehensive philosophy and has management principles that are set down in writing. It also has a Code of Conduct that applies throughout the Group and is published on RATIONAL website at rat.ag/CG.

The corporate philosophy stresses the self-image of the Company, its executive bodies and employees. There are also recommendations on how to behave in dealings with customers, partners and colleagues. All new employees receive training on this issue when they join the company.

The Compliance organisation is continuously enhanced. The starting point for compliance activities is the RATIONAL AG Code of Conduct. The Code of Conduct is based on the relevant legal requirements, UN Principles and OECD pronouncements, which have been summarised in the form of RATIONAL rules of conduct in business and communicated throughout the company. RATIONAL has a compliance team and a Compliance Officer for the entire Group. All employees at the RATIONAL Group receive training on compliance topics. Employees with computer access must also pass a test.

On the basis of the results of compliance risk analyses carried out in different company divisions, actions were defined to counter all material compliance risks. In addition to applicable internal compliance rules, these measures also include cooperation with qualified local partners. Moreover, the local requirements for a compliance programme are continuously monitored in countries where RATIONAL has its own subsidiaries and employees and, where necessary, adapted to the existing compliance programme.

Since 2022, RATIONAL AG has been working on implementing the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). The due diligence obligations have been met in full in accordance with the applicable legal framework since fiscal year 2024.

An audit of the risk management system and the design of the entire compliance management system in accordance with the auditing standards of the Institute of Public Auditors in Germany confirmed the functional capability of both systems. In addition, there was another audit in fiscal year 2024 of the functional capability of the compliance management component "Money laundering" in accordance with IDW AuS 980.

In 2024, both the compliance management system and the risk management system were strategically continued on the basis of the existing concepts. The risk management system was audited by Internal Audit in the reporting year.

ESG organisation and strategy

RATIONAL AG has worked increasingly systematically towards attaining the ESG goals in recent years, with measures focusing on protecting the environment and natural resources. To expand the activities and add further social and corporate governance measures, a sustainability strategy was developed with an external consultant at the end of 2021. The sustainability strategy, which was adopted by the Executive Board in 2022, is aimed at making RATIONAL AG viable for the future through sustainable business practices. The sustainability strategy was communicated internally within the company in 2023 and specific climate targets were set in mid-2024. The climate targets will be published in spring 2025 in a specially created sustainability/ESG section on our website.

The sustainability strategy resolved by the Executive Board covers in particular the quality of products and nutrition. Focused on customer benefit, RATIONAL products allow flexible, efficient, reliable and responsible food preparation while conserving valuable nutrients.

Resource preservation is a key component of RATIONAL's sustainability efforts. Moreover, in product development and cooperation with our suppliers, material and energy efficiency are important objectives. By implementing sustainable location concepts, RATIONAL makes an active contribution to environmental and climate protection.

We also strongly advocate respectful interaction with people in all their diversity. Mutual respect, personal responsibility, health and safety form the basis for the individual development of all employees and therefore the future viability of RATIONAL.

These values also guide RATIONAL in its behaviour towards customers and suppliers. Accordingly, these objectives apply not only to our own locations, but enjoy a high priority across the entire value chain.

In order to cover the issue of sustainability in the Supervisory Board as well, Mr Moritz Graser will take on the role of specialist for ESG matters in the Supervisory Board. In addition to his Master of Science and his further training as a professionally qualified Supervisory Board member, Mr Graser also attended the "Sustainability (ESG) for Control and Support Functions" training course at the highly regarded University of St. Gallen.

Management bodies of the company

Die RATIONAL AG is an Aktiengesellschaft (joint stock corporation) under German law. A basic principle of German corporation law is the dual system of management, comprising an executive board and a supervisory board, each of which has its own autonomous areas of responsibility.

Composition of the Executive Board

The Executive Board of RATIONAL AG can consist of one or more persons. It had five members as at the balance sheet date. The assignment of division responsibility to the individual members is detailed in the executive organisation chart. In addition, the Supervisory Board specified an age limit of 65 years for members of the Executive Board. As at the balance sheet date, the Executive Board had the following members: Dr Peter Stadelmann (CEO), Markus Paschmann (CSMO), Dr Martin Hermann (CTO), Jörg Walter (CFO) and Peter Wiedemann (COO).

To ensure long-term succession planning together with the Executive Board, the Supervisory Board advises on the requirements profile for members of the Executive Board and observes the suitability of potential internal succession candidates in the company on the basis of their progress against performance criteria. The Supervisory Board also communicates with the Executive Board on upcoming vacancies and potentially suitable candidates.

One example of long-term succession planning is the replacement of Mr Peter Wiedemann in the role of Chief Technology Officer with effect from 1 January 2025 because he had reached his age limit. The early appointment of Dr Martin Hermann in September 2022 allowed an orderly, detailed

hand-over in the Executive Board. Following his appointment to the Executive Board, Dr Hermann initially took on responsibility for individual processes in the technical area, such as product development, strategic purchasing and strategic quality management, while Mr Wiedemann retained responsibility for production and other selected functions. In December 2024, Dr Hermann also took over the remaining CTO functions from Mr Wiedemann. Following Mr Wiedemann's departure, the Executive Board of RATIONAL AG has four members again, starting in fiscal year 2025.

In addition to his position of COO of RATIONAL AG, Peter Wiedemann was appointed to the Supervisory Board of WashTec AG, Augsburg, in May 2022. The other members of the Executive Board do not perform any Supervisory Board duties in other listed companies.

The Executive Board and its working methods

The members of the Executive Board bear joint responsibility for the overall management of the company. They cooperate closely with one another and exchange information about important actions and procedures taking place within their divisions. Each member of the Executive Board is responsible for the divisions assigned to them on the basis of Executive Board resolutions. The Executive Board generally reaches decisions in meetings, which are held every two weeks. In addition, every member of the Executive Board can call a meeting by announcing the item on the agenda. Likewise, every member can request that a topic be included in the agenda for a meeting. Decisions by the Executive Board are always reached by a simple majority of votes cast by all of its members. If there is a tie, the Chairman of the Executive Board has the casting vote.

The Executive Board keeps the Supervisory Board comprehensively informed in good time, verbally and in writing as well as in regular meetings about planning, business development and the position of the company, including risk management. RATIONAL's risk management and internal control systems are described in more detail in the "Report on risks and opportunities" section of the management report.

Composition of the Supervisory Board

Under Article 8 (1) of the Articles of Association, the Supervisory Board of RATIONAL AG has seven members as shareholder representatives.

Mr Walter Kurtz is the Chairman of the Supervisory Board and Erich Baumgärtner is his deputy. Also on the Supervisory Board are Clarissa Käfer, Dr Johannes Würbser, Dr Christoph Lintz, Mr Werner Schwind and Mr Moritz Graser, proven experts in finance, business law, sales, technology and sustainability. The CVs of Supervisory Board members have been published on our website.

This body has five members (Ms Clarissa Käfer, Mr Erich Baumgärtner, Dr Christoph Lintz, Mr Werner Schwind, Dr Johannes Würbser) who are independent of the company and its Executive Board in accordance with recommendation C.7 of the Code, and the Supervisory Board considers this to be a sufficient number.

Since RATIONAL does not have a controlling shareholder within the meaning of recommendation C.9 of the Code, all members of the Supervisory Board are independent under this criterion.

The current composition of the Supervisory Board fully covers the skills profile. The members of the Supervisory Board complement each other in terms of age, educational and professional backgrounds, experience and knowledge, with the result that the Board as a whole can access a wealth of experience and a broad range of skills. The Supervisory Board is, as a whole, familiar with the sector in which the company is active. No age limit has been set for members of the Supervisory Board.

The qualification matrix provides an up-to-date summary of the progress made in completing the skills profile.

The term of office of the Supervisory Board members was five years in the past. To ensure greater flexibility in the composition of the Supervisory Board, the Supervisory Board resolved to propose a term of office of three years to the General Meeting of Shareholders in 2024. The proposal was accepted with the required majority. This means that the next scheduled Supervisory Board election will be held at the General Meeting of Shareholders in 2027.

Skills profile for Supervisory Board

	Walter Kurtz	Erich Baumgärtner	Moritz Graser	Clarissa Käfer	Dr Christoph Lintz	Werner Schwind	Dr Johannes Würbser
Supervisory Board member since	1998	2017	2024	2024	2024	2015	2019
Finance/auditing	•	•		•			•
Legal/compliance/governance				•	•		
ESG/sustainability			•	•			
Technology	•						•
Sales	•	•				•	

Following their appointment to the Supervisory Board, the new members familiarised themselves with their new roles in detail. To make their start as efficient as possible, the Chair of the Supervisory Board and his deputy jointly prepared a structured induction process. This included product training, an introduction to the RATIONAL philosophy and strategy and talks with each member of the Executive Board to provide an individual presentation of each area of responsibility.

The Supervisory Board and its working methods

The Supervisory Board advises and monitors the Executive Board in the management of the company. It appoints the members of the Executive Board and can remove them for good cause. For its work, the Supervisory Board has set itself rules of procedure. The Supervisory Board is involved in strategy and planning as well as in all matters of fundamental importance for the company. For significant business transactions – such as the annual planning and major investments – the rules of procedure for the Executive Board stipulate a veto right in favour of the Supervisory Board. The Chairman of the Supervisory Board coordinates the work in the Supervisory Board, chairs its meetings and looks after the interests of the Board in its external dealings. The Supervisory Board reaches decisions in meetings by a simple majority of votes cast, unless the law specifies otherwise. If there is a tie, the Chairman of the Supervisory Board has the casting vote.

In the case of significant events, an extraordinary meeting of the Supervisory Board is convened if necessary.

The Supervisory Board conducts regular self-assessments and efficiency audits, the latest one in 2024. The assessment of the Supervisory Board members is conducted using a questionnaire whose questions are answered in writing by all Supervisory Board members. In addition to the structures and processes, it dealt with skills and qualifications on the Board, risk management and control, as well as cooperation in the Supervisory Board and with the Management Board. The results are then discussed in the Supervisory Board to identify potential improvements. No significant shortcomings in the work of the Supervisory Board were identified in this process.

Details of the focus of the Supervisory Board's activities and advice in the year under review and of meeting attendance by the individual Supervisory Board members are given in the Report by the Supervisory Board.

The following members of the Supervisory Board are also represented in the following advisory boards and supervisory bodies: In addition to her Supervisory Board duties at RATIONAL AG, Ms Clarissa Käfer (Supervisory Board member since 8 May 2024) is a member of the Supervisory Board and Chair of the Audit Committee of the listed Ludwig Beck AG, Munich, Germany, and Chair of the Supervisory Board of Käfer AG, Vaterstetten, Germany (not listed). Dr Hans Maerz (Supervisory Board member until 8 May 2024) is Chair of the Supervisory Board of FWU AG, Munich, Germany (not listed), as well as Chair of the Audit Committee of FWU Factoring GmbH, Munich, Germany.

Formation of Supervisory Board committees

The Supervisory Board has established an Audit Committee to prepare meeting content for the Supervisory Board. As from May 2024, the members of the Audit Committee are Ms Clarissa Käfer (Committee Chair), Mr Walter Kurtz, Mr Erich Baumgärtner and Dr Johannes Würbser.

The Audit Committee oversees the accounting process and discusses and examines the annual and consolidated financial statements as well as the management report and the half-yearly and quarterly financial statements prepared by the Executive Board as well as the non-financial report in accordance with Section 289c of the German Commercial Code (HGB) and the future sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD). On the basis of the auditor's report, the Audit Committee prepares specifically for the debates and resolutions of the Supervisory Board for the approval of the annual and consolidated financial statements and resolves a recommendation for the Supervisory Board's proposal to the General Meeting of Shareholders for the election of the auditor. The Audit Committee issues the audit engagement for the annual and consolidated financial statements and for any reviews of interim financial reports to the auditor elected by the General Meeting of Shareholders, defines the key audit areas together with the auditor and monitors the independence of the auditor. The Audit Committee also prepares the Supervisory Board's resolution on the non-financial consolidated report and on the audit of the non-financial consolidated report and remuneration report; any audit engagements are issued by the Audit Committee. In addition, the Audit Committee is responsible for monitoring the company's risk management process, internal audit and compliance system. To this end, it also covers the reports by internal audit and the reports of those responsible for compliance, risk management and internal audit.

The Chairwoman of the Audit Committee, Clarissa Käfer, regularly discusses the progress of the audit with the auditor and reports on this to the Audit Committee. Due to her many years of work as an auditor and tax consultant, as a member of the board of examiners for the auditor and tax consultant examination, as well as other supervisory board and audit committee mandates, she has a high level of expertise in the areas of accounting and auditing. Ms Käfer is qualified as a finance expert within the meaning of section 100 (5) of the AktG and recommendation D.3 of the 2022 Code.

As a member of the Audit Committee and former CFO of RATIONAL AG, Erich Baumgärtner also has expertise in the field of accounting and special knowledge and experience in the application of accounting principles and internal control and risk management systems.

Dr Johannes Würbser has been a fourth member of the Audit Committee since May 2024. This reflects the rising complexity of accounting.

The Supervisory Board does not currently consider it necessary to establish a nomination committee or other committees. With a seven-member Supervisory Board, efficient discussions and lively exchanges of views on suitable candidates for nomination by the Supervisory Board to the General Meeting of Shareholders can also be held in the plenary session. Moreover, the fact that the Supervisory Board of RATIONAL AG is not subject to co-determination obviates the need to form a nomination committee that consists exclusively of shareholder representatives.

Right to appoint for members of the Supervisory Board

Under Article 8 (6) sentence 1 of the Articles of Association of RATIONAL AG, Walter Kurtz has the right to appoint up to two members of the Supervisory Board for as long as he is a shareholder of the company. In 2024, he made use of this right and appointed himself and his son Moritz Graser to the Supervisory Board.

Cooperation between Executive Board and Supervisory Board

The Executive Board and Supervisory Board of RATIONAL AG cooperate closely and on a basis of trust in the management and monitoring of the company. Full details of the cooperation between the Executive Board and the Supervisory Board are given in the Supervisory Board's report.

Definition relating to the equal participation of women in executive positions in accordance with sections 76 (4) and 111 (5) of the German Stock Corporation Act (Aktiengesetz)

RATIONAL AG is a listed company, but is not subject to parity co-determination. This means that, under the German Act Supplementing and Amending the Rules for Equal Participation of Women in Executive Positions in the Private and the Public Sector, the introduction of a 30% ratio for women in the Supervisory Board of RATIONAL AG is not binding. However, the company's listing on the stock exchange requires the company to specify targets for the percentage of women in the Supervisory Board, Executive Board and on the two management levels below the Executive Board as well as to set deadlines for attaining these targets. The following table shows the targets for women in executive positions and the respective deadlines.

In this context, we refer to our guidance on the RATIONAL Group's diversity concept provided below.

The previous targets for the percentage of women in the Executive Board and the Supervisory Board expired on 30 June 2024. Both targets were set to 0, and were met – and in the case of the Supervisory Board exceeded – when the period expired.

Women in executive positions at RATIONAL AG

	Absolute target	Absolute actual	Target (%)	Actual (%)	Deadline
The Supervisory Board	1	1	14	14	30 June 2029
Executive Board	0	0	0	0	30 June 2029
1st level	4	3	22	17	30 June 2027
2nd level	17	17	35	35	30 June 2027

Group-wide diversity – managers hired locally and internationally

As a company with global operations, we benefit from the different experiences, skills and opinions associated with the many cultural backgrounds of our employees. Just over 40% of our employees work in one of our international subsidiaries. This regional diversification is an important building block for RATIONAL success. When appointing people to key positions in our subsidiaries, we attach great importance to locally recruited managers. About three quarters of the managing directors of our international subsidiaries have been recruited from international or local candidates.

Diversity concept for the Executive Board and Supervisory Board

The Supervisory Board has not resolved a diversity concept for the composition of the Executive Board and the Supervisory Board. Appointments of Executive Board members and proposals of Supervisory Board members for election are made on the basis of their special skills and qualifications exclusively in accordance with the skills profile of the Supervisory Board and the requirements for Executive Board members. Other attributes such as gender, age, origin and national identity have not been and will not be of any consequence for this decision. The intention is to continue to abide by this policy in future. Nevertheless, the Supervisory Board pursues the objective to continually enhance the composition, and therefore the skills and experience, of the Executive Board and Supervisory Board and to maintain a balance of continuity and renewal. The Executive Board and Supervisory Board as a whole must have the knowledge, skills and experience required to discharge their duties properly.

The aim of HR development at RATIONAL is to encourage achievers and keep them in the company for the long term as a way of ensuring sustainable business success. All vacancies at RATIONAL are filled by appointing people with the best qualifications and skills for the job in question. Other attributes such as gender or national identity have not been and will not be of any consequence for this decision. As far as possible, we aim to fill executive positions with internal candidates; they have the advantage of knowing the company, its direction and its culture.

These principles also apply when appointing members of the Executive Board. Management consists of selected experts from different departments. Corporate management is shaped by continuity, trust and consistent focus on maximum customer benefit, as envisaged by our company's founder, as well as the corporate philosophy. The Supervisory Board will take decisions on the composition of the Executive Board against this background.

Accounting and auditing

On 8 May 2024, the General Meeting of Shareholders appointed Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, as auditors of the financial statements and the consolidated financial statements for fiscal year 2024. The audit contract was awarded by the Supervisory Board.

The election of the auditor was carefully prepared by the Supervisory Board. Prior to the proposal being submitted to the General Meeting of Shareholders, the Supervisory Board obtained a declaration from the auditors on their personal and business relationships with the company. This gave no rise to any objections. The Supervisory Board agreed with the auditors that the Chairman of the Supervisory Board would be notified immediately about disqualification or reasons for bias during the audit. No disqualification or reasons for bias were identified during the audit of the annual and consolidated financial statements for fiscal year 2024.

The auditors are additionally required to report separately on any major weaknesses detected during the audit in the accounting-related internal control and risk management system.

The lead auditor of the 2024 annual financial statements was Mr Dirk Bäßler.

Declaration in accordance with section 161 of the AktG and declaration of conformity with the German Corporate Governance Code

Pursuant to section 161 of the German Stock Corporation Act (Aktiengesetz, AktG), the Executive Board and the Supervisory Board of RATIONAL AG, Landsberg am Lech, annually explain any departures from the recommendations of the Government Commission for a German Corporate Governance Code, as published in the official section of the Federal Gazette and applicable at the time of preparation of this declaration. The declaration of conformity of the Executive Board and Supervisory Board of January 2025 is printed below. This declaration of conformity and all previous declarations of conformity are published on our website.

The recommendations of the Government Commission for a German Corporate Governance Code, as amended on 28 April 2022 and published in the official section of the Federal Gazette on 27 June 2022 (2022 Code), were complied within the reporting period and continue to be complied with, with the exception of the recommendations itemised below for the reasons specified there:

A. Management and supervision

Recommendation A.3 of the 2022 Code: "The internal control system and the risk management system shall also cover sustainability-related objectives, unless required by law anyway. This shall include processes and systems for collecting and processing sustainability-related data."

RATIONAL is aware of the importance of sustainability criteria in corporate governance. As a sustainable company with a long-term focus, we set great store by a holistic assessment of risk, which means a balanced assessment of non-financial and the resulting financial risks, as well as primary financial risks. A basic ESG strategy was developed in fiscal year 2021 and approved by the Executive Board in fiscal year 2022; further details were added in 2024. The inclusion of sustainability-related objectives in the internal control system, including the underlying indicators, is a gradual process, which continued in the year under review.

Recommendation A.5 of the 2022 Code: "The management report shall describe the main characteristics of the entire internal control system and risk management system, and provide comment upon the appropriateness and effectiveness of these systems."

The reporting in the RATIONAL Group's management report is guided by the legal requirements of sections 289 (4), 315 (4) of the HGB and contains detailed disclosures on internal control systems and the risk management system. Recommendation A.5 goes well beyond what is legally required. It is therefore not clear what disclosures on the appropriateness and effectiveness of these systems are required by the 2022 Code in addition to the legal reporting requirements. RATIONAL therefore declares a precautionary departure from recommendation A.5 of the 2022 Code.

B. Appointments to the Management Board

Recommendation B.1: "When appointing Management Board members, the Supervisory Board shall take diversity into account."

The Supervisory Board and Executive Board expressly welcome all efforts to counter any form of discrimination and to promote diversity in a reasonable manner. When appointing members of the Executive Board, the special skills and qualifications of the candidate are the only decisive criterion for the Supervisory Board. Other attributes such as gender or national identity have not been and will not be of any consequence for this decision.

C. Composition of the Supervisory Board

I. General requirements

Recommendation C.1 second half of sentence 2: "... while taking the principle of diversity into account."

Recommendation C.2: "An age limit shall be specified for members of the Supervisory Board and disclosed in the Corporate Governance Statement."

The composition of the Supervisory Board of RATIONAL AG is guided by the company's interests. The main aim is therefore to appoint Supervisory Board members in a way that ensures that it can best meet its legal duties and those imposed by its Articles of Association and ensure effective supervision of and advice to the Executive Board. The candidates for election to the Supervisory Board are selected exclusively on the basis of knowledge, skills and experience. Other attributes such as gender or national identity have not been and will not be of any consequence. No age limit has been set for members of the Supervisory Board. RATIONAL believes that an individual's suitability to be a Supervisory Board member should not depend on age. In compliance with the profile of skills and expertise, nominations to the General Meeting of Shareholders are based exclusively on the knowledge, skills and experience of the candidates in question. The intention is to continue to abide by this policy in future in order to retain experience and skills for the benefit of the company.

II. Independence of Supervisory Board members

Recommendation C.10: "The Chair of the Supervisory Board, the Chair of the Audit Committee, as well as the Chair of the committee that addresses Management Board remuneration, shall be independent from the company and the Management Board."

Walter Kurtz has been a member of the Supervisory Board since 1998 and is therefore not considered independent of the company. Mr Kurtz has been Chairman of the Supervisory Board since 11 August 2017. Due to his many years of service in the company, which he managed with the company's founder Siegfried Meister for many years, Mr Walter Kurtz not only has invaluable experience, but also upholds the continued management of the company as its founder had intended.

D. Supervisory Board Procedures:

I. Rules of procedure

Recommendation D.1: "The Supervisory Board shall adopt its own rules of procedure and shall publish these on the company's website."

For its work, the Supervisory Board has set itself rules of procedure. However, the Supervisory Board opts not to publish the rules of procedure on the company's website. The main rules of conduct for the Supervisory Board are laid down in law and in the Articles of Association and publicly accessible. It does not believe that the additional publication of the rules of procedure would add any value.

2. Supervisory Board committees

Recommendation D.4 of the Code 2022: "The Supervisory Board shall form a Nomination Committee, composed exclusively of shareholder representatives, which names suitable candidates to the Supervisory Board for its proposals to the General Meeting."

The Supervisory Board does not believe that the establishment of a nomination committee is necessary. With a seven-member Supervisory Board, efficient discussions and lively exchanges of views on suitable candidates for nomination by the Supervisory Board to the General Meeting of Shareholders can also be held in the plenary session. Moreover, the fact that the Supervisory Board of RATIONAL AG is not subject to co-determination obviates the need to form a nomination committee that consists exclusively of shareholder representatives.

G. Remuneration of Management Board and Supervisory Board

2. Determining specific total remuneration

Recommendation G.3: "In order to assess whether the specific total remuneration of Management Board members is in line with usual levels compared to other enterprises, the Supervisory Board shall determine an appropriate peer group of other third-party entities, and shall disclose the composition of that group. The peer-group comparison shall be applied with a sense of perspective, in order to prevent an automatic upward trend."

The Supervisory Board regularly reviews Executive Board remuneration. In assessing the appropriateness of Executive Board remuneration, information on board remuneration at other companies is also taken into account. There is no direct comparison with a defined peer group. The Supervisory Board believes that, due to the high degree of specialisation of RATIONAL AG and the different economic situation and profitability of other mechanical engineering companies, such a comparison is not very meaningful.

3. Determining the total amount of variable remuneration components

Recommendation G.8: "Subsequent changes to the target values or comparison parameters shall be excluded."

The remuneration system for the Executive Board approved by the General Meeting of Shareholders specifies that subsequent changes to the financial performance criterion of short-term variable remuneration and subsequent changes to the performance criteria of long-term variable remuneration are not allowed. However, the Supervisory Board is entitled, should any extraordinary events or developments occur, e.g. the acquisition or sale of part of the company, to temporarily adjust the terms of the respective plan appropriately at its reasonable discretion.

Recommendation G.10: "Taking the respective tax burden into consideration, Management Board members' variable remuneration shall be predominantly invested in company shares by the respective Management Board member or shall be granted predominantly as share-based remuneration. Granted long-term variable remuneration components shall be accessible to Management Board members only after a period of four years."

Executive Board remuneration is based on the remuneration system approved by the ordinary General Meeting of Shareholders held on 12 May 2021. This system does not specify any share-based payment and therefore does not require members of the Executive Board to hold shares. In view of the good experience made in the past, the Supervisory Board accepts as given that management acts in the interests of the company's long-term success even without granting share-based payment to the Executive Board.

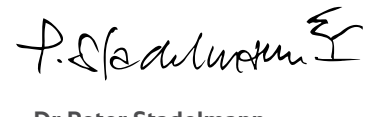
What is more, the long-term variable remuneration of Executive Board members is measured over a three-year performance period. Since the performance assessment is based on internal medium-term planning over the same period, the Supervisory Board deems this length of time appropriate.

Landsberg am Lech, January 2025

RATIONAL AG



Walter Kurtz
for the Supervisory Board



Dr Peter Stadelmann
for the Executive Board