

**DO & CO AKTIENGESELLSCHAFT**

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# **REMUNERATION REPORT**

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**BUSINESS YEAR 2021/2022**



**THE GOURMET  
ENTERTAINMENT  
COMPANY**

## **Remuneration Report**

The remuneration report gives a comprehensive overview of the remuneration received by the Management Board and Supervisory Board of DO & CO Aktiengesellschaft in the business year 2021/2022.

### **Principles of the remuneration policy**

The remuneration policy guides the way the performance of all board members of DO & CO Aktiengesellschaft is remunerated. The primary objective of the remuneration policy is to create suitable incentives for the good of the Company, its development (particularly in the long term), and its financial success. The remuneration policy aims to make the remuneration of board members clear, transparent, and comprehensible. The remuneration policy complies with applicable law and the recommendations of the Austrian Corporate Governance Code (ÖCGK), ensuring the harmonisation of the Company's targets and strategies as well as stakeholder interests.

The remuneration policy was resolved on by the Supervisory Board in its meeting on 15 June 2020 and submitted for resolution to the General Meeting of Shareholders on 31 July 2020.

### **Remuneration for the Management Board**

The Supervisory Board and, if necessary, its Remuneration Committee, is responsible for elaborating and developing the remuneration policy as well as specific remuneration practices.

The remuneration policy aims to inspire board members to perform exceptionally and reward outstanding commitment, personal merit and success as regards the Company and its development, also in the interest of the shareholders and staff. Times of crisis highlight the importance of competitive remuneration in line with the market, in order to adequately take into account special challenges facing executives in times of economic crisis and thus navigating the Company through such crises in the best possible way, in particular with regard to the Company's core markets and activities which have been hit hardest by the crisis.

Remuneration received by the Management Board consists of fixed and variable, performance-linked components, with fixed remuneration of members of the Management Board based on their duties and areas of responsibility. Additionally, DO & CO Aktiengesellschaft grants certain forms of remuneration in kind as agreed in individual contractual arrangements.

**The following overview shows the total remuneration for the business year 2021/2022 and for the previous business year:**

| <b>Total paid remuneration of Management Board</b>              |                  |                  |
|---|------------------|------------------|
|   | <b>2021/2022</b> | <b>2020/2021</b> |
| Profit/Loss after taxation (in k€)                              | 13.924,91        | -37.572,71       |
| Total paid remuneration Management Board (in k€)                | 2.279,55         | 1.743,47         |
| Average wages and salaries of staff members (in €) <sup>1</sup> | 79.117,00        | 76.179,00        |

Mr. Attila Dogudan received total remuneration in the amount of € 955,323 in the business year 2021/2022 (previous year: € 938,021). This amount is broken down into fixed remuneration paid out in the amount of € 790,000 (previous year: € 790,000), contributions to social security funds paid in the amount of € 11,885 (previous year: € 11,528), remuneration in kind in the amount of € 140,160 (previous year: € 132,720), remuneration related to another company pertaining to the Group paid out in the amount of € 13,278 (previous year: € 3,773) and variable remuneration in the amount of € 0 (previous year: € 0). Fixed remuneration components thus make up 100% of the total remuneration paid out.

Mr. Gottfried Neumeister received total remuneration in the amount of € 1,174,563 in the business year 2021/2022 (previous year: € 805,452). This amount is broken down into fixed remuneration in the amount of € 1,150,000 (previous year: € 790,000), contributions to social security funds paid in the amount of € 12,353 (previous year: € 11,983), remuneration in kind in the amount of € 0 (previous year: € 0), remuneration related to another company pertaining to the Group paid out in the amount of € 12,210 (previous year: € 3,469) and variable remuneration in the amount of € 0 (previous year: € 0). Fixed remuneration components thus make up 100% of the total remuneration paid out.

Mr. Attila Mark Dogudan received total remuneration in the amount of € 149,667 in the business year 2021/2022. This amount is broken down into fixed remuneration in the amount of € 68,000, remuneration in kind in the amount of € 0, remuneration related to another company pertaining to the Group paid out in the amount of € 81,667 and variable remuneration in the amount of € 0. Fixed remuneration components thus make up 100% of the total remuneration paid out. Mr. Attila Mark Dogudan was appointed to the Management Board on 10 June 2021.

### **Fixed remuneration component**

The amount of the fixed remuneration received by individual members of the Management Board is primarily based on the respective Management Board member's specific duties and areas of responsibility, taking into account individual workload and the complexity of the duties. In calculating the fixed remuneration component, competitive remuneration is ensured by adequately taking into account the individual professional background and relevant work experience as well as the situation of the Company and the market.

Fixed remuneration consists of a contractually agreed annual salary divided into 14 monthly salaries and paid out at the end of each month. Fixed remuneration covers all

<sup>1</sup> Expenses for average wages and salaries of staff members of DO & CO Aktiengesellschaft in the business year 2021/2022 are significantly affected by short-time working models used in Austria, which decrease personnel expenses as well as wages and salaries for the staff members who worked or are working under these short-time working models. Average wages and salaries of staff members in the business years 2021/2022 and 2020/2021 are thus only to a limited extent comparable. It has to be noted that the Company neither adjusted any of the pay schemes for staff categories nor did it reduce any contractually agreed wages or salaries. This refers to the annual gross remuneration.

overtime, board seats taken up at Group or affiliated companies, activities in Austria and abroad, as well as travelling times.

Attila Dogudan, Chairman of the Management Board, received fixed remuneration in the amount of € 790,000 in the business year 2021/2022 (previous year: € 790,000), paid out in 14 instalments. Moreover, contributions to social security funds in the amount of € 11,885 (previous year: € 11,528) were paid in 12 instalments.

Gottfried Neumeister received fixed remuneration in the amount of € 1,950,000 in the business year 2021/2022 (previous year: € 790,000), with the annual gross remuneration of € 1,150,000 paid out in 14 instalments. Moreover, contributions to social security funds in the amount of € 12,353 (previous year: € 11,983) were paid in 12 instalments. Due to the continued impact of the COVID-19 pandemic as well as observing the legally stipulated restrictions due to government subsidies received (US and Austria), Gottfried Neumeister and the Supervisory Board agreed that the remaining amount of € 800,000 will only be paid out in June 2023, without interest.

Attila Mark Dogudan received fixed remuneration in the amount of € 68,000 in the business year 2021/2022, with the annual gross remuneration paid out in 12 instalments.

#### **Variable remuneration component**

DO & CO Aktiengesellschaft strives to achieve long-term sustainable growth. Variable bonuses for both financial and non-financial performance are intended to inspire the members of the Management Board to actively shape and implement the Company's strategy. In accordance with C Rule 27 ÖCGK, variable remuneration components may be reclaimed if they were determined and paid out on the basis of obviously false data ("clawback").

#### **Financial performance criteria for a variable bonus**

The financial criteria for assessing the success of corporate governance are selected by the Supervisory Board each business year, taking into account the situation of the Company and the market, as well as the macroeconomic environment at hand. The Supervisory Board and the Remuneration Committee have determined the following target values and target achievements for the business year.

Due to its business model, DO & CO Aktiengesellschaft continues to be particularly vulnerable to the COVID-19 pandemic. A strong focus on an appropriate level of liquidity is essential to the Company as a result of the long-lasting restrictions and the fact that developments with regard to travel restrictions, the food service industry and the possibility of hosting major events often occur at short notice. This ensures DO & CO Aktiengesellschaft's capacity to take action under the new requirements in relation to market and customer needs.

The Company continues to face two critical challenges related to each other: on the one hand, it has to ensure liquidity in order to secure the Group's ability to continue as a going concern, and on the other hand, the continuing impact of the pandemic regarding the distribution are to be counteracted by acquiring new customers.

Taking into account these requirements, the Remuneration Committee resolved on the following performance indicators:

**Financial performance criteria for a variable bonus:**

- Positive free cash flow
- Increase in cash and cash equivalents from one business year to the next
- Positive net result
- Net debt to EBTIDA ratio declining below the default covenant of 5.5 (no bonus will be paid out if this objective is not achieved)
- Additional variable bonus if the net debt to EBTIDA ratio is below 3.5

**Non-financial performance criteria for a variable bonus**

The non-financial criteria for assessing the success of corporate governance, which substantially strengthen the Company's position but may not be (directly) measurable, are selected by the Supervisory Board each business year, taking into account the strategy, development, or future of DO & CO Aktiengesellschaft. The Supervisory Board and the Remuneration Committee have determined the following target values and target achievements for the business year.

The following non-financial criteria were defined for receipt of a variable bonus:

For the first time, variable remuneration components are linked to specifications resulting from the Company's ESG objectives. This will not only be reflected in the responsibility of the Management Board but, moreover, also in the responsibility of the respective Managing Director of the DO & CO entities. Corresponding transparency will be guaranteed by a state-of-the-art publicity method and corresponding systems. Moreover, the quantitative objective is to steadily reduce carbon emissions by 5%.

New locations in the form of further DO & CO Gourmet Kitchens are essential for the global expansion of the DO & CO Group. They expand the customer base and ensure the broad diversification of DO & CO's portfolio. Moreover, they strengthen the Company's competitive position and profitability in the long term. Following the success in the business year 2020/21 thanks to establishing a Gourmet Kitchen in Detroit, DO & CO defined the objective to expand the US market with locations in Miami, Boston and Washington. This target was met by winning the Delta Airlines tender for the location in Boston and the corresponding new Gourmet Kitchen.

Long-standing partnerships are the key to success and the basis for stable growth. After successfully extending the contract with Formula 1, the objective was to renegotiate the price structure, in particular for the Formula 1 races in the Middle East.

The amount of variable remuneration initially envisaged for the business year is limited and may exceed the fixed remuneration received by the members of the Management Board. The maximum amount of each variable bonus (financial and non-financial) is 100% of the fixed remuneration, respectively. A temporary deviation from this framework for variable remuneration is possible within the meaning of Section 78a (8) AktG by resolution of the Supervisory Board.

As an act of solidarity, the entire Management Board, decided to waive the payout of a variable bonus in the business year 2021/2022, even though the Board would have been entitled to the payout of a variable bonus, measured against individual targets based on financial and non-financial performance criteria.

## Other remuneration components and arrangements

### Pension plans

Currently, no arrangements have been made regarding any in-house retirement provision for the Management Board. The Chairman of the Management Board is entitled to severance pay in accordance with the Austrian Salaried Employees Act.

### Directors and officers insurance (D&O insurance)

DO & CO Aktiengesellschaft has taken out liability insurance (D&O insurance) for the members of its Management Board and other officers, protecting against certain personal liability risks of officeholders. Costs in the business year 2021/2022 amounted to € 42.2t (previous year: € 55.0t).

### Remuneration in other companies of the Group

DO & CO Aktiengesellschaft holds an indirect 50% investment in THY DO & CO Ikram Hizmetleri A.Ş. The members of the Management Board are part of this company's Board of Directors, receiving separate remuneration for this function.

For his position as member of the Board of Directors of this company, Mr. Attila Dogudan was paid remuneration in the amount of € 13,278 in the business year 2021/2022 (previous year: € 3,773).

For his position as member of the Board of Directors of this company, Mr. Gottfried Neumeister was paid remuneration in the amount of € 12,210 in the business year 2021/2022 (previous year: € 3,469).

Mr. Attila Mark Dogudan was paid € 81,667 by DO & CO Hospitality Spain, S.L.

### Remuneration in kind

In the business year 2021/2022, expenses in the amount of € 140,160 (previous year: € 132,720) were recorded for remuneration in kind received by the Management Board, mainly consisting of accommodation and vehicles provided by the Company.

## Remuneration for the Supervisory Board

Remuneration received by the Supervisory Board consists of fixed and variable, performance-linked components, with fixed remuneration of members of the Supervisory Board based on their duties and areas of responsibility and resolved on by the General Meeting of Shareholders for each completed business year.

Remuneration of the Supervisory Board was resolved on in the General Meeting of Shareholders dated 15 July 2021 and set at an amount of € 140,000 (previous year: € 140,000) for the business year 2020/21. Mr. Cem Kozlu decided to waive his remuneration, resulting in the payout of an amount of € 105,000.

| Remuneration Supervisory Board 2020/2021 * |               |                 |
|--|---------------|-----------------|
| in k€                                      | Fixed annual  | Attendance fees |
| Dr. Andreas Bierwirth                      | 45,00         | 0,00            |
| Dr. Peter Hoffmann-Ostenhof                | 35,00         | 0,00            |
| Dr. Cem Kozlu                              | 0,00          | 0,00            |
| Mag. Daniela Neuberger                     | 25,00         | 0,00            |
| <b>Total</b>                               | <b>105,00</b> | <b>0,00</b>     |

\* Remuneration of the Supervisory Board is resolved on in the General Meeting of Shareholders for each preceding year.