

DO & CO AKTIENGESELLSCHAFT

REMUNERATION REPORT

BUSINESS YEAR 2022/2023



**THE GOURMET
ENTERTAINMENT
COMPANY**

The remuneration report gives a comprehensive overview of the remuneration received by the Management Board and the Supervisory Board of DO & CO Aktiengesellschaft in the business year 2022/2023.

Principles of the remuneration policy

The remuneration policy governs how 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 understandable. The remuneration policy complies with applicable law and the recommendations of the Austrian Corporate Governance Code (ÖCGK), ensuring the Company's targets and strategies as well as stakeholder interests are in harmony.

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 its Remuneration Committee are responsible for mapping out 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. Competitive remuneration in line with the market serves as an incentive to reach long-term strategic goals and sustainably boost business success. Moreover, the remuneration structure takes into account the specific challenges the economic environment is currently posing.

Remuneration received by the Management Board consists of a fixed sum 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 2022/2023 and for the previous business year:

Total paid remuneration of Management Board		
	2022/2023	2021/2022
Profit/Loss after taxation (in k€)	35.837,99	13.924,91
Total paid remuneration Management Board (in k€)	3.463,45	2.279,55
Average wages and salaries of staff members (in €)	73.838,32	79.117,00

Mr. Attila Dogudan received total remuneration in the amount of € 1,005,292 in the business year 2022/2023 (previous year: € 955,323). 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 € 12,086 (previous year: € 11,885), remuneration in kind in the amount of € 148,252 (previous year: € 140,160), remuneration related to another company pertaining to the Group paid out in the amount of € 54,954 (previous year: € 13,278) 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 € 1,213,751 in the business year 2022/2023 (previous year: € 1,174,563). This amount is broken down into fixed remuneration in the amount of € 1,150,000 (previous year: € 1,150,000), contributions to social security funds paid in the amount of € 12,410 (previous year: € 12,353), 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 € 51,341 (previous year: € 12,210) 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 € 444,410 (previous year: € 149,667) in the business year 2022/2023. This amount is broken down into fixed remuneration in the amount of € 432,000 (previous year: € 68,000), contributions to social security funds paid in the amount of € 12,410 (previous year: € 0), 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 (previous year: € 81,667) 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 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 overtime, board seats taken up at Group or affiliated companies, activities in Austria and abroad, as well as travel time.

Attila Dogudan, Chairman of the Management Board, received fixed remuneration in the amount of € 790,000 in the business year 2022/2023 (previous year: € 790,000), paid out in 14 instalments. Moreover, contributions to social security funds in the amount of € 12,086 (previous year: € 11,885) were paid in 12 instalments.

Gottfried Neumeister received fixed remuneration in the amount of € 1,950,000 in the business year 2022/2023 (previous year: € 1,950,000), with the annual gross remuneration of € 1,150,000 paid out in 14 instalments. The remaining € 800,000 were deferred until June 2023 without interest, given the legally stipulated restrictions associated with COVID-19 subsidies. Moreover, contributions to social security funds in the amount of € 12,410 (previous year: € 12,353) were paid in 12 instalments.

Attila Mark Dogudan received fixed remuneration in the amount of € 432,000 (previous year: € 68,000) in the business year 2022/2023, with the annual gross remuneration paid out in 14 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 manifestly 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 changed market conditions – in particular due to inflation and labour shortage – the Company is facing new challenges in the wake of the Covid-19 pandemic.

The Company continues to face two critical, interrelated challenges: 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 distribution-related impact of the pandemic is to be counteracted by acquiring new customers and markets.

In light of 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 3.5 (no bonus will be paid out if this objective is not achieved)
- Additional variable bonus if the net debt to EBTIDA ratio is below 2.0
- Long-term goal: Improvement of the equity ratio by at least 2 percentage points per year for the next 3 years

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.

Variable remuneration components were linked to specifications resulting from the Company's ESG objectives, which were defined as follows for the business year 2022/2023:

- Developing scientifically sound measuring of the Scope 1, 2 and 3 emissions. This demonstrates our commitment to the objectives defined in our climate transition plan, in particular reaching net zero emissions in Scope 1 and 2 by 2030.
- Implementation of a sustainability campaign for suppliers, addressing deforestation and human rights in our supply chain.
- Developing and conducting international top management ESG training on climate risks, circular economy and sustainability in the supply chain. Findings are to be integrated accordingly in our business decisions.

The objectives set were achieved, the top management ESG training sessions are taking place after the end of the business year 2022/2023.

In order to ensure the Company's quality standards, and as a basis for further expansion, it is crucial to overcome the current labour market challenges. A global and specialised recruiting team, focusing on specialists and management positions, was formed to serve as the basis. The goal of minimising external recruiting costs as well as reducing average resources per post filled was also achieved.

Moreover, a transnational system for applicant management was implemented. This system not only allows for quick exchange between applicants and recruiting managers, but also offers full transparency between different divisions and countries. Training of new and existing employees, the retention of sufficient staff and the net growth of staff by 1,500 employees for operative reasons enabled the Company to fulfil its operative tasks.

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 again decided not to accept the payout of a variable bonus in the business year 2022/2023, 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 company 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 2022/2023 amounted to € 50.25k (previous year: € 42.2k).

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 received fixed remuneration in the amount of € 54,954 in the business year 2022/2023 (previous year: € 13,278).

For his position as member of the Board of Directors of this company, Mr. Gottfried Neumeister received fixed remuneration in the amount of € 51,341 in the business year 2022/2023 (previous year: € 12,210).

Mr. Attila Mark Dogudan was paid € 0 (previous year: € 81,667) by DO & CO Hospitality Spain, S.L.

Remuneration for the Supervisory Board

Remuneration received by the Supervisory Board consists of a fixed sum 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 14 July 2022 and set at an amount of € 140,000 (previous year: € 140,000) for the business year 2021/22. Mr. Cem Kozlu decided to waive remuneration, resulting in a payout of € 105,000.

Remuneration Supervisory Board 2021/2022 *		
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
Total	105,00	0,00

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