

INVITATION TO THE
ANNUAL GENERAL MEETING OF
KLÖCKNER & CO SE

May 12, 2021

Klöckner & Co SE
with registered office in Duisburg, Germany

– ISIN DE000KC01000 –

– Security Identification No. (Wertpapierkennnr.) KC0100 –

Invitation
to the Annual General Meeting
held as a virtual Annual General Meeting

(unique identifier of the event: GMETKCO121RS)

Dear Shareholders,

We hereby invite you to the Annual General Meeting of Klöckner & Co SE on Wednesday, May 12, 2021, at 10:30 a.m. (CEST, UTC+2).

In view of the still ongoing COVID-19 pandemic and the imposed official regulations as well as to protect all parties involved against health risks, the Annual General Meeting will once again be held as a virtual Annual General Meeting without the physical presence of shareholders or their proxy holders (with the exception of the proxy holders nominated by the Company).

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I. Agenda

1. Presentation of the adopted annual financial statements, the approved consolidated financial statements and the combined management report for Klöckner & Co SE and the Group and the report of the Supervisory Board, each for fiscal year 2020

The annual and consolidated financial statements were approved by the Supervisory Board on February 25, 2021. The annual financial statements have thus been adopted. No resolution by the Annual General Meeting is therefore required. However, the above-mentioned documents must be made available to the Annual General Meeting and can therefore be downloaded at www.kloeckner.com/en/investors/annual-general-meeting.html as from the convocation date of the Annual General Meeting.

2. Ratification of the actions of the members of the Management Board for fiscal year 2020

The Management Board and Supervisory Board propose that the actions of the members of the Management Board who held office in fiscal year 2020 be ratified for that year.

3. Ratification of the actions of the members of the Supervisory Board for fiscal year 2020

The Management Board and Supervisory Board propose that the actions of the members of the Supervisory Board who held office in fiscal year 2020 be ratified for that year.

4. Supervisory Board elections

Pursuant to Article 40 (3) of the European Company (SE) Regulation in conjunction with Section 9 (1) of the Articles of Association, Klöckner & Co SE's Supervisory Board consists of six members, all of whom are elected by the shareholders.

- a) The term of office of Supervisory Board member Prof. Dr. Karl-Ulrich Köhler will expire at the close of the Annual General Meeting on May 12, 2021, resulting in the need to elect a new Supervisory Board member.

Based on the recommendation of the Presidium acting as Nomination Committee, the Supervisory Board proposes to elect

Uwe Röhrhoff, Mönchengladbach, independent consultant and supervisory board member,

as member of the Supervisory Board.

The election is effective as of the close of the Annual General Meeting on May 12, 2021 for a term of office until the close of the Annual General Meeting that ratifies the actions of the Supervisory Board for the fourth fiscal year following commencement of the term of office, not including the fiscal year in which the term of office begins; however, the term of office may not exceed six years.

- b) The term of office of Supervisory Board member Prof. Dr. Tobias Kollmann will expire at the close of the Annual General Meeting on May 12, 2021, resulting in the need to elect a new Supervisory Board member.

Based on the recommendation of the Presidium acting as Nomination Committee, the Supervisory Board proposes to elect

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Prof. Dr. Tobias Kollmann, Cologne, Chair of E-Business and E-Entrepreneurship at the University of Duisburg-Essen, Germany,

as member of the Supervisory Board.

The election is effective as of the close of the Annual General Meeting on May 12, 2021 for a term of office until the close of the Annual General Meeting that ratifies the actions of the Supervisory Board for the fourth fiscal year following commencement of the term of office, not including the fiscal year in which the term of office begins; however, the term of office may not exceed six years.

- c) The term of office of Supervisory Board member Prof. Dr.-Ing. E. h. Friedhelm Loh will expire at the close of the Annual General Meeting on May 12, 2021, resulting in the need to elect a new Supervisory Board member.

Based on the recommendation of the Presidium acting as Nomination Committee, the Supervisory Board proposes to elect

Prof. Dr.-Ing. E. h. Friedhelm Loh, Dietzhöhlztal, entrepreneur, owner and Chairman of Friedhelm Loh Stiftung & Co. KG (and Managing Director of further companies in the Friedhelm Loh Group),

as member of the Supervisory Board.

The election is effective as of the close of the Annual General Meeting on May 12, 2021 for a term of office until the close of the Annual General Meeting that ratifies the actions of the Supervisory Board for the fourth fiscal year following commencement of the term of office, not including the fiscal year in which the term of office begins; however, the term of office may not exceed six years.

- d) The term of office of Supervisory Board member Prof. Dr.-Ing. Dieter H. Vogel will expire at the close of the Annual General Meeting on May 12, 2021, resulting in the need to elect a new Supervisory Board member.

Based on the recommendation of the Presidium acting as Nomination Committee, the Supervisory Board proposes to elect

Prof. Dr.-Ing. Dieter H. Vogel, Düsseldorf, Chairman of the Company's Supervisory Board, Managing Partner of Cassiopeia GmbH

as member of the Supervisory Board.

The election is effective as of the close of the Annual General Meeting on May 12, 2021 for a term of office until the close of the Annual General Meeting that ratifies the actions of the Supervisory Board for the fourth fiscal year following commencement of the term of office, not including the fiscal year in which the term of office begins; however, the term of office may not exceed six years.

It is intended that the Annual General Meeting holds a separate vote on each member of the Supervisory Board to be elected.

In addition, notification is hereby given that in the event of his election by the Annual General Meeting, Prof. Dr.-Ing. Dieter H. Vogel intends to stand for election by the Supervisory Board in the subsequent election for Chairman of the Supervisory Board.

Supplementary information on the candidates pursuant to Recommendation C.13 of the German Corporate Governance Code:

Uwe Röhrhoff

Uwe Röhrhoff was already a member and Deputy Chairman of the Company's Supervisory Board from May 12, 2017 to May 16, 2018. According to the assessment of the Supervisory Board, he has no disclosable personal or business relationship with Klöckner & Co SE or its Group companies, the governing bodies of Klöckner & Co SE, or any shareholder with a material interest in Klöckner & Co SE.

Prof. Dr. Tobias Kollmann

Prof. Dr. Tobias Kollmann has been a member of the Company's Supervisory Board since July 14, 2015 and, according to the assessment of the Supervisory Board, has no disclosable personal or business relationship with Klöckner & Co SE or its Group companies, the governing bodies of Klöckner & Co SE, or any shareholder with a material interest in Klöckner & Co SE.

Prof. Dr.-Ing. E. h. Friedhelm Loh

Prof. Dr.-Ing. E. h. Friedhelm Loh has been a member of the Supervisory Board and of its Presidium since May 13, 2016. Indirectly through SWOCTEM GmbH, he is a shareholder with a material interest in the Company. In addition, a number of Klöckner & Co Group companies have relationships with Friedhelm Loh Group companies in the ordinary course of business and of non-material amount. These relationships are conducted on an arm's-length basis. According to the assessment of the Supervisory Board, there are no additional disclosable personal or business relationships with Klöckner & Co SE or its Group companies, the governing bodies of Klöckner & Co SE, or any shareholder with a material interest in Klöckner & Co SE.

Prof. Dr.-Ing. Dieter H. Vogel

Prof. Dr.-Ing. Dieter H. Vogel has been a member and Chairman of the Supervisory Board, Chairman of the Presidium and member of the Audit Committee since May 31, 2006. According to the assessment of the Supervisory Board, he has no additional disclosable personal or business relationship with Klöckner & Co SE or its Group companies, the governing bodies of Klöckner & Co SE, or any shareholder with a material interest in Klöckner & Co SE.

The Supervisory Board's election nominations are based on the recommendation of the Presidium in its capacity as Nomination Committee, are in accordance with the objectives for the Supervisory Board's composition resolved by the Supervisory Board and aim at fulfilling the profile of skills and expertise developed by the Supervisory Board while having due regard to diversity on the Supervisory Board as a whole. The objectives adopted by the Supervisory Board and the profile of skills and expertise, including their implementation status, are published in the Corporate Governance Statement for fiscal year 2020. This is included in the Annual Report 2020 and is part of the documents referred to under agenda item 1, which are available at www.kloeckner.com/en/investors/annual-general-meeting.html and will be sent to shareholders on request.

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The election nominations are in line with the target for the percentage of women on the Supervisory Board set by the Supervisory Board in accordance with Section 111 (5) of the German Stock Corporation Act (AktG). That target is for the percentage of women on the Supervisory Board to be at least 16.6% by June 30, 2022. The Supervisory Board currently includes one woman, Ute Wolf, as a result of which the target is already achieved and will continue to be achieved on election of the nominated candidates.

The résumés and further information on the candidates nominated for election are provided under heading II. of this Invitation. The résumés of all members of the Supervisory Board are available on the Company's website at www.kloeckner.com/en/group/supervisory-board.html.

5. Election of the auditor for the annual financial statements, consolidated annual financial statements and for the review of interim financial statements

At the recommendation of the Audit Committee, the Supervisory Board proposes electing KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany,

- a) as auditor and Group auditor for fiscal year 2021,
- b) as auditor for the review of the condensed financial statements and the interim management report of the half-yearly financial report for fiscal year 2021, and
- c) as auditor for the review of any additional interim financial information in the fiscal years 2021 and 2022, insofar as it complies with the requirements for the condensed financial statements and for the interim management report of the half-yearly financial report and insofar as it is prepared prior to the 2022 Annual General Meeting.

The Audit Committee declared that its recommendation had not been improperly influenced by third parties and that no restriction with respect to its choice of a certain auditor within the meaning of Article 16 (6) of the Regulation (EU) No. 537 / 2014 had been imposed on it.

6. Resolution on the approval of the remuneration system for the members of the Management Board

Under Section 120a (1) of the German Stock Corporation Act (AktG), as amended by the German Act Implementing the Second Shareholder Rights Directive (ARUG II), the annual general meeting of a listed company must adopt a resolution at least once every four years on a remuneration system for the members of the management board resolved by the supervisory board in accordance with the requirements of Section 87a AktG. According to the transitional provisions under ARUG II, the first resolution of the supervisory board on the management board remuneration system and the first resolution of the Annual General Meeting on its approval must be passed by the end of the first Annual General Meeting following December 31, 2020.

The Supervisory Board has resolved a new remuneration system for the members of the Management Board, taking into account the requirements of Section 87a (1) AktG. This remuneration system, which is described under heading III. of this Invitation, is submitted to the Annual General Meeting for approval.

In the event of a resolution of the Annual General Meeting approving the remuneration system, the resolution and the remuneration system will be published on the Company's website without undue delay and will be kept publicly accessible there free of charge for the entire period over which the remuneration system remains valid, at least for a minimum total period of ten years. If the Annual General Meeting does not approve the remuneration system, a reviewed remuneration system must be submitted for resolution at the next Annual General Meeting at the latest.

Based on the recommendation of its Presidium, which is the committee responsible for Management Board remuneration, the Supervisory Board proposes that the remuneration system for the members of the Management Board of Klöckner & Co SE, as set out under heading III. of this Invitation, be approved.

7. Resolution on the confirmation of the remuneration of the Supervisory Board and the remuneration system for its members

The German Act Implementing the Second Shareholder Rights Directive (ARUG II) also amended Section 113 (3) of the German Stock Corporation Act (AktG). Under Section 113 (3) sentences 1 and 2 AktG, the annual general meeting of a listed company must adopt a resolution at least once every four years on a remuneration system for the members of the supervisory board, whereby the resolution confirming the remuneration is permitted. The first resolution of the Annual General Meeting on the remuneration of Supervisory Board members must be passed by the end of the first Annual General Meeting following December 31, 2020.

The remuneration of the members of the Supervisory Board of Klöckner & Co SE is set out in Section 14 of the Articles of Association. Section 14 of the Articles of Association and the information pursuant to Sections 113 (3) sentence 3 and 87a (1) sentence 2 AktG are described under heading IV. of this Invitation. In the opinion of the Management Board and the Supervisory Board, the remuneration for the members of the Supervisory Board specified in Section 14 of the Articles of Association remains appropriate, and in particular is commensurate with the duties of the Supervisory Board members and the situation of the Company.

In the event that the Annual General Meeting resolves to approve the remuneration of Supervisory Board members, the resolution and the remuneration will be published on the Company's website without undue delay and kept publicly accessible there free of charge for the entire period over which the remuneration remains valid, at least for a minimum total period of ten years. If the Annual General Meeting does not approve the remuneration, a reviewed remuneration system for the Supervisory Board members must be submitted for resolution at the next Annual General Meeting at the latest.

The Management Board and the Supervisory Board propose that the remuneration of the members of the Supervisory Board of Klöckner & Co SE, as specified in Section 14 of the Articles of Association and described under heading IV. of this Invitation, be confirmed.

II. Supplementary information on agenda item 4

Résumés of the candidates for election to the Supervisory Board

Uwe Röhrhoff

Residence Mönchengladbach

Year of birth 1962

Place of birth Mönchengladbach

Nationality German

Occupation/profession Independent consultant and supervisory board member

Education

Studied business administration at the University of Cologne (Dipl.-Kfm.)

Career

1989–1991 Scheidt & Bachmann GmbH

Finance and accounting

1991–2017 Gerresheimer AG

Last position held: CEO

2018 Perrigo Company plc.

President and CEO

Since 2018 Independent consultant and supervisory board member

Special knowledge and experience for Supervisory Board service:

Uwe Röhrhoff has extensive and longstanding experience in management positions and the management of large companies, including positions abroad. Due to his service on various supervisory boards, he is familiar with the work of supervisory bodies. He is also already familiar with the Company from his previous service as member and Deputy Chairman of the Supervisory Board.

Membership in domestic statutory supervisory boards

None

Membership in comparable German or foreign corporate supervisory bodies

- EPL Limited (formerly: Essel Propack), Mumbai, India (listed), Member of the Supervisory Board, Chairman of the Nomination and Remuneration Committee
- Constantia Flexibles Holding GmbH, Vienna, Austria (unlisted), Member of the Supervisory Board
- Shamrock Group Limited, Georgetown, Cayman Islands (unlisted), Director of Board

Other significant activities

None

Prof. Dr. Tobias Kollmann

Residence Cologne
Year of birth 1970
Place of birth Bonn
Nationality German
Occupation/profession Chair of E-Business and E-Entrepreneurship at the University of Duisburg-Essen,
Germany

Education

Studied economics at the Universities of Bonn and Trier (Dipl.-Volkswirt) and doctorate at the University of Trier (Dr. rer. pol.)

Career

1997–2001 Start-up/venture capital practice
• In particular: support for Scout24-Holding (Switzerland) in the development of virtual marketplaces
• Among others, co-founder of AutoScout24 GmbH
2001–2005 Christian-Albrechts-University of Kiel
Chair of E-Business
Since 2005 University of Duisburg-Essen
Chair of E-Business and E-Entrepreneurship

Special knowledge and experience for Supervisory Board service:

Prof. Dr. Kollmann was among the pioneers of the German internet economy and electronic marketplaces. He is also a recognized digitalization expert with numerous publications in this field, in particular on e-business and e-entrepreneurship. In addition, he has an excellent network in politics and in the start-up and venture capital sector.

Membership in domestic statutory supervisory boards

- Klöckner & Co SE (listed), Member of the Supervisory Board

Membership in comparable German or foreign corporate supervisory bodies

- COMECO GmbH & Co KG (unlisted), Deputy Chairman of the Supervisory Board

Other significant activities

Managing Partner, netSTART GmbH

Supplementary information on agenda item 4

Prof. Dr.-Ing. E. h. Friedhelm Loh

Residence Dietzhöhlztal

Year of birth 1946

Place of birth Weidenau

Nationality German

Occupation/profession Entrepreneur, owner and Chairman of Friedhelm Loh Stiftung & Co. KG
(and Managing Director of further companies of the Friedhelm Loh Group)

Education

Apprenticed electrician (high voltage) and studied business administration

Career

1974–1989 Rittal GmbH & Co. KG

Partner and CEO

Since 1989 Friedhelm Loh Stiftung & Co. KG

Owner and CEO

Special knowledge and experience for Supervisory Board service:

Prof. Dr.-Ing. E. h. Loh is an indirect major shareholder in the Company. As a successful entrepreneur, he has many years of experience in the management of large companies. He is very well connected in business and politics.

Membership in domestic statutory supervisory boards

- Klöckner & Co SE, Member of the Supervisory Board

Membership in comparable German or foreign corporate supervisory bodies

None

Other significant activities

None

Prof. Dr.-Ing. Dieter H. Vogel

Residence Düsseldorf

Year of birth 1941

Place of birth Cheb (Czech Republic)

Nationality German

Occupation/profession Chairman of the Company's Supervisory Board; Managing Partner, Cassiopeia GmbH

Education

Studied mechanical engineering at TU Darmstadt (Dipl.-Ing.) and doctorate at TU Munich (Dr.-Ing.)

Career

1970–1975 Bertelsmann AG
Last position held: Deputy CEO, Technical Operations

1975–1985 Pegulan Werke AG
Last position held: CEO

1980–1985 British American Tobacco Deutschland
Deputy CEO

1986–1998 Thyssen AG
Last position held: CEO

1999–2020 Lindsay Goldberg Vogel GmbH
Founder and Managing Partner

Special knowledge and experience for Supervisory Board service:

Prof. Dr.-Ing. Vogel has been Chairman of the Company's Supervisory Board since its IPO 2006. He has an outstanding knowledge of the steel industry and steel trading with over 30 years of experience as a member of management and supervisory bodies in a wide scope of enterprises.

Membership in domestic statutory supervisory boards

- Klöckner & Co SE (listed), Chairman of the Supervisory Board

Membership in comparable German or foreign corporate supervisory bodies

- denkwerk GmbH (unlisted), Member of the Advisory Board
- HSBC Trinkaus & Burkhardt AG (unlisted), Member of the Administrative Board

Other significant activities

None

III. Supplementary information on agenda item 6

Remuneration system for the members of the Management Board

Klößner & Co SE is one of the largest producer-independent distributors of steel and metal products and one of the world's leading steel service center companies. We have set ourselves the goal of transforming Klößner & Co into an industry pioneer by serving our customers with maximum efficiency and exceptional standards of quality on the basis of a largely automated supply and value chain in the future. Leveraging our years of experience in digital transformation and the development of innovative technical solutions, we continuously adapt our product and service portfolio to match customer needs. We are also expanding our portfolio and market reach in cooperation with partners in order to develop Klößner & Co into the leading platform company in the steel and metals sector. This ambitious goal requires dedicated, strategic and long-term leadership by the Management Board.

The Supervisory Board is proposing to the Annual General Meeting a new system for the remuneration of the members of the Management Board (remuneration system) that contributes significantly towards advancing this goal and complies with the new statutory requirements and the recommendations of the German Corporate Governance Code as most recently amended on December 16, 2019 and published on March 20, 2020 (GCGC).

1. Principles of the remuneration system: Promotion of the corporate strategy and the Company's long-term development

The new remuneration system at Klößner & Co SE, like the previous system from which it has been developed, is geared to promoting the corporate strategy and the Company's long-term development. In designing the remuneration system, the Supervisory Board attached importance as before to a simple and clear incentive structure. Outstanding performance should be suitably rewarded; failure to meet targets should result in a noticeable reduction in remuneration. Disproportionate fluctuations in Management Board remuneration are prevented by appropriately weighting fixed and variable remuneration components and by setting maximum amounts.

The new remuneration system is designed to minimize the risk of misaligned incentives, both from outside and from within the Company, by requiring Management Board members to make a substantial long-term personal investment. In particular, it aims to prevent Management Board decision-making that is calculated in the short-term to maximize remuneration but is not conducive to the sustainable success of the business. By extending the mandatory term of Management Board members' personal investment to at least four years, the new remuneration system strengthens the incentive for a long-term development of the Company.

For the annual bonus, clearly measurable targets will be set that are core components of Klößner & Co SE's growth and value strategy. At the same time, the Management Board is also given non-financial targets which serve the Company's strategic and sustainable orientation.

The long-term personal investment by each Management Board member in Klößner & Co SE shares is closely tied to the annual bonus, as the investment is made directly from the annual bonus amount. This results in a coherent incentive structure that combines short-term and long-term elements.

At the same time, Management Board remuneration shall be in line with the market and be competitive so that the Company is able to attract capable executive talents. Within specified bounds, the remuneration system is therefore also intended to give the Supervisory Board the latitude to respond flexibly to the

Company's changing financial situation and to changes in the market and competitive environment. The incentives are intended to be structured in a clear and comprehensible manner, both for shareholders and for the members of the Management Board themselves. Overall, the intention is to create plausible and sustainable incentives for dedicated and successful management in a dynamic business environment.

The remuneration system as a whole takes into account the challenging task faced by the members of the Management Board to systematically implement the corporate strategy.

This new and balanced remuneration system is intended to be in force for several years, and, during this time, to help to sustainably increase the value of Klöckner & Co SE.

2. Process for determination, implementation and review of the remuneration system

By law, the responsibility for resolving, implementing and reviewing the remuneration system for the members of the Management Board lies with the Supervisory Board. The Supervisory Board determines the remuneration for the individual members of the Management Board in accordance with the remuneration system submitted to the Annual General Meeting for its approval. Preparation of the related Supervisory Board resolutions is the responsibility of the Supervisory Board's Presidium.

The Supervisory Board consulted intensively on the new remuneration system in several meetings after the Presidium had already dealt with the preparation of the remuneration system and possible alternatives in meetings from March 2020 onwards. In the development and determination of the new remuneration system, the Supervisory Board also took into account the remuneration and employment terms of the workforce of Klöckner & Co SE and its affiliated companies and expressly included employee-related targets in the non-financial targets. The Supervisory Board additionally conducts vertical benchmarking in order to gauge the appropriateness of Management Board remuneration. The Supervisory Board adopted a framework of the remuneration system following in-depth consultation at its meeting on December 14, 2020 and finally adopted it in the form presented herein at its meeting on February 25, 2021.

The Annual General Meeting votes to approve the remuneration system submitted by the Supervisory Board; the Annual General Meeting is also required to take a vote on the remuneration system for the members of the Management Board at every material change and in any case at least every four years (Section 120a (1) German Stock Corporation Act (AktG)). If the Annual General Meeting does not approve the remuneration system, the Supervisory Board must submit a reviewed remuneration system for resolution at the next Annual General Meeting at the latest (Section 120a (3) AktG). In addition, at the request of shareholders whose combined shareholdings amount to 5% of the share capital or the pro rata amount of EUR 500,000, the Annual General Meeting may reduce the specified maximum remuneration (Section 87 (4) AktG in conjunction with Section 122 (2) sentence 1 AktG).

The Supervisory Board will implement the requirements of the new remuneration system in individual contracts with the members of the Management Board upon all new appointments and reappointments. Existing contracts remain unaffected.

The Supervisory Board sets the targets for variable remuneration for each Management Board member for the forthcoming fiscal year. After the end of a fiscal year, the Supervisory Board will, in close chronological proximity to adoption of the annual financial statements, determine target achievement on the basis of a proposal by the Presidium and set the specific Management Board remuneration for each Management Board member. Target achievement will be documented and thereby will be comprehensible in terms of

both basis and amount. The Management Board and the Supervisory Board of Klöckner & Co SE also prepare an annual report on remuneration granted and owed to each individual current or former member of the Management Board in the prior fiscal year, which is audited by the auditor and submitted to the Annual General Meeting of the Company for approval (remuneration report, Section 162 AktG).

The Presidium will continue to regularly review the appropriateness and structure of the remuneration system even after the Annual General Meeting has adopted a resolution approving the remuneration system and will discuss this in advance of the annual target-setting process. Where necessary, the Presidium will submit proposals for modifications to the Supervisory Board, on which the Supervisory Board may then proceed to pass a resolution.

In the opinion of the Supervisory Board, there are currently no conflicts of interest to which individual members of the Supervisory Board would be exposed in connection with the remuneration system and Management Board remuneration. Should a conflict of interest involving a Supervisory Board member ever arise, such member will abstain from any consultations and resolutions on Management Board remuneration.

3. Structure of the new remuneration system, remuneration components and relative share of remuneration

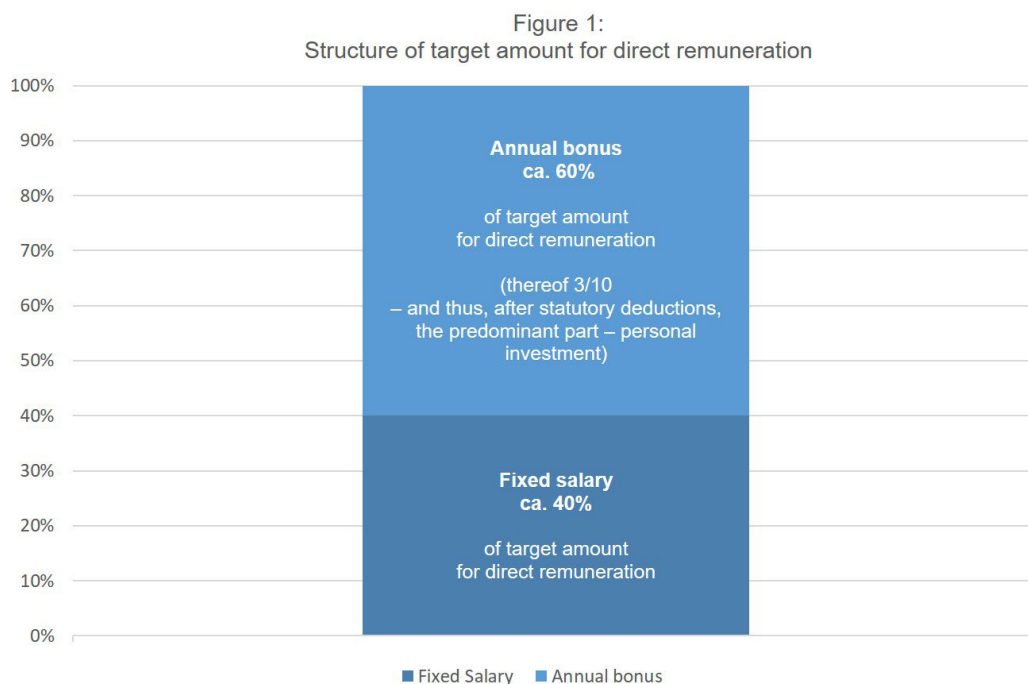
Remuneration for Management Board members consists of non-performance-related (fixed) and performance-related (variable) components.

- The **non-performance-related remuneration** comprises a basic salary (fixed salary), an amount to be used for private retirement provision and ancillary benefits (specifically, insurance premiums and a company car).
- The **performance-related remuneration** consists of a variable annual bonus, the majority of which after statutory tax and social insurance deductions is to be used by the members of the Management Board to purchase shares in the Company (personal investment component), with the excess remaining at their free disposal (cash component).

The Supervisory Board sets a target amount for direct remuneration (target direct remuneration) for each member of the Management Board. This comprises the fixed salary plus the target amount for the annual bonus assuming 100% target achievement (target bonus).

Under the new remuneration system, the target amount for the annual bonus accounts for approximately 60% of the target amount for direct remuneration, with – assuming a 50% tax and social insurance burden – the long-term variable remuneration in the form of the personal investment component accounting for approximately 36% and the short-term variable remuneration in the form of the cash component accounting for approximately 24% of the target amount for direct remuneration. The personal investment component may increase or decrease relative to the cash component depending on the individual tax and social insurance burden but should always exceed the net amount of the cash component after statutory tax and social insurance deductions. This is ensured by requiring Management Board members to purchase shares in the Company for a sufficiently large amount equivalent to 30% of their gross annual bonus. The weighting of the personal investment component aligns the remuneration structure as a whole with sustainable development and long-term growth in the value of the company.

The chart below shows the percentage shares of the fixed salary and target amount for the annual bonus in the total target amount for direct remuneration:



Note: The relative proportion of the remuneration components within direct remuneration effectively granted will generally differ from the proportion of the target amount for direct remuneration shown here because variable remuneration varies in amount, and hence also its proportion, depending on the target achievement level. However, irrespective of the specific variable remuneration amount, the personal investment component always accounts for 30% (3/10) of the gross annual bonus, so that at a 50% tax and social insurance burden, 60% of the net annual bonus to be paid must always be converted into long-term variable remuneration in the form of the personal investment component. The amount of the annual bonus effectively granted and the remaining remuneration components are subsequently published in the Company's annual Remuneration Report.

An additional remuneration component is the contribution to retirement provision, which is to be granted in the amount of 20% to 40% of the fixed salary. Management Board members are granted ancillary benefits in a maximum amount of 10% of the fixed salary. In total, retirement provision and ancillary benefits are thus limited to a maximum of 50% of the fixed salary or 20% of the target amount for direct remuneration.

The target amount for direct remuneration (comprising the fixed salary and target bonus), the contribution to retirement provision and the ancillary benefits normally comprise all remuneration components and hence the **target total remuneration**.¹

Based on the above percentages proportion and assuming a contribution to retirement provision of 30% of fixed salary and ancillary benefits at the maximum of 10% of fixed salary, the following rounded figures result for the remuneration components as proportion of the target total remuneration: Fixed salary 35%,

¹ For possible deviations, see heading III. sub-heading 8; for potential additional benefits on commencement of a Management Board position, see heading III. sub-heading 11.

retirement provision 10%, ancillary benefits 3% and target bonus in total 52%, with – assuming a 50% tax and social insurance burden – the long-term variable remuneration in the form of the personal investment component accounting for 6/10 of the target amount for the annual bonus (equating to 31% of the target total remuneration) and the short-term variable remuneration in the form of the cash component accounting for 4/10 of target amount for the annual bonus the target amount for the bonus (equating to 21% of the target total remuneration). The personal investment component and the cash component may increase or decrease relative to each other depending on the individual tax and social insurance burden.

This remuneration structure applies uniformly to all Management Board positions. In keeping with the principle of collective Management Board responsibility, the targets for Management Board members will generally be set on a uniform basis. The Supervisory Board reserves the right to set individual targets for specific Management Board members if it deems a differential incentive structure among the members of the Management Board to become necessary.

4. Non-performance-related remuneration components

The non-performance-related remuneration consists of the fixed salary, the retirement provision and the ancillary benefits.

- The **fixed salary** is paid in twelve equal monthly installments at the end of each month net of statutory tax and social insurance deductions. If a member of the Management Board is appointed or leaves during a fiscal year, the fixed salary is granted pro rata temporis.
- For **retirement provision**, each member of the Management Board receives an annual amount not exceeding 40% of the applicable fixed salary (gross), paid in twelve equal monthly installments at the end of each month in compliance with tax and social insurance provisions. Should a member of the Management Board wish instead to receive retirement provision in the same amount in the form of a payment by the Company into a reinsured pension/provident fund, the Company may accommodate this by making such a payment, if desired, also in advance at the beginning of the year.
- The contractual **ancillary benefits** primarily include customary additional benefits such as insurance premiums (such as occupational and non-occupational accident insurance, liability insurance, industrial criminal law insurance and general legal expenses insurance) as well as the provision of communication devices and a company car for business and private use (in the case of the CEO potentially including driver). Ancillary benefits can vary in value from year to year due to person and occasion related issues but are limited to a maximum of 10% of the fixed salary. The ancillary benefits and hence the 10% limit do not apply to the reimbursement of expenses to which Management Board members are entitled by law or to inclusion in D&O insurance in the interests of the Company, although Management Board members must bear the deductible required under the German Stock Corporation Act.

5. Performance-related remuneration components

Overview

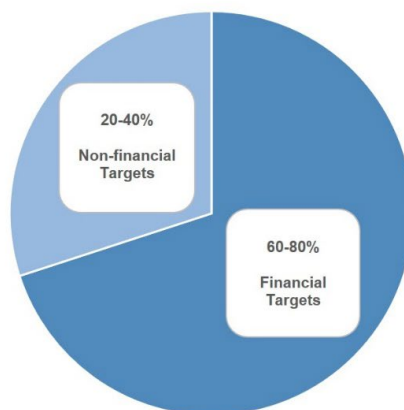
In addition to the non-performance-related remuneration components, all Management Board members receive performance-related variable remuneration in the form of a bonus, the amount of which initially depends on the degree to which certain targets are achieved in a fiscal year. This annual bonus incentivizes

the members of the Management Board both to achieve key annual budgeting targets – which are derived in turn from long-term strategic planning – and to pursue targets whose achievement does not have a direct financial impact but is of great importance for the strategic and sustainable development of Klöckner & Co.

The basis for determining the amount of the annual bonus is its target amount (target bonus). This is the annual bonus to which a member of the Management Board is entitled under the respective service contract at 100% achievement of the specified annual targets. According to the degree of over- or underachievement of the specified annual targets, the annual bonus increases or decreases on a target achievement curve determined by the targets set. If annual targets are exceeded, the annual bonus may therefore exceed the target bonus (cap). It is capped, however, at 200% of the target bonus. If a member of the Management Board is appointed or leaves during a fiscal year, the annual bonus is paid pro rata temporis.

The annual bonus is calculated for each fiscal year and depends on the degree of target achievement both of financial and of non-financial targets. The chart below shows the structure of the annual bonus:

Figure 2: Structure of annual bonus



Earned annual bonus is not paid out in full. Instead, Management Board members must invest a flat 30% of their gross annual bonus in shares in the Company. Assuming a 50% tax and social insurance burden, 60% of the annual net bonus is consequently converted into a personal investment component and thus into long-term variable remuneration.

Financial targets

In order to specify the financial targets, the Supervisory Board sets the targets for financial key performance indicators and their respective weighting for calculation of the bonus amount. They are weighted relative to the non-financial targets in such a way that the financial targets account for 60% to 80% of the target bonus at 100% achievement of all financial and non-financial targets.

As financial targets, the Supervisory Board sets targets for the following financial key performance indicators at the level of the Group as a whole:

Supplementary information on agenda item 6

- Earnings before interest, taxes, depreciation and amortization and impairments (**EBITDA**), adjusted for any material special effects, as the case may be. EBITDA is the most important key performance indicator for the Group's results of operations and is fundamental to management processes and decision-making at the strategic and operational level.
- Operating cash flow (**OCF**). Cash flow from operating activities likewise represents an objective basis for measuring the performance of the business activities and is a key performance indicator for the Group's orientation.

In place of or in addition to EBITDA and OCF, the Supervisory Board may specify financial indicators out of the following list if it is convinced that they are more suitable as performance indicators for the development of Klöckner & Co: EBIT (earnings before interest and taxes), net cash flow (operating cash flow less cash flow from investing activities and less repayments of lease liabilities), net financial debt (financial liabilities plus transaction costs less cash and cash equivalents), ROCE (return on capital employed, measured as EBIT over average capital employed), ROE (return on equity, measured as EBIT over equity) and relative capital market performance (the capital market performance of Klöckner & Co shares relative to an index). When deciding on the determination and weighting of the key performance indicators, the Supervisory Board gives due regard to ensuring a continuously effective incentive structure.

Non-financial targets

The Supervisory Board sets the non-financial targets each year by specifying between three and six performance indicators from the list of strategy and sustainability targets shown in Figure 3, which are of importance to the strategic and sustainable development of the Company, including its corporate social responsibility (CSR). As with the financial targets, the Supervisory Board also lodges measurable criteria to the non-financial targets so that a precise degree of target achievement can be determined after the end of a fiscal year. They are weighted relative to the financial targets in such a way that the non-financial targets account for between 20% and 40% of the target bonus at 100% achievement of all financial and non-financial targets.

Figure 3: Non-financial Targets

Implementation of Corporate Strategy	Sustainability
<ul style="list-style-type: none"> • Business development • Market access and exploitation • Transformation- and Digitalization targets • Optimization/Efficiency improvement • Leadership capabilities and strategic priorities • Corporate structure and organisation • Strategic projects 	<ul style="list-style-type: none"> • Compliance and Risk management • Customer satisfaction • Employee-related targets (including health and satisfaction) • Diversity • Innovation • Succession Planning • Reporting and communication • Limitation of CO₂-emissions and sustainable use of resources

Determination and review of the financial and non-financial targets

The combination of financial and non-financial targets for the annual bonus provides the incentive for implementation of a fully integrated long-term Group strategy at Klöckner & Co SE.

Before the beginning of each fiscal year, the specific requirements and target figures for the financial and non-financial targets for the fiscal year are set by the Supervisory Board in its duty bound discretion; they are basically set uniformly for the entire Management Board. The Supervisory Board will base the targets on the annual budgeting and ensure that targets are ambitious but remain achievable for the Management Board and hence retain their incentivization effect.

After the end of the fiscal year, based on the actual figures derived primarily from the audited consolidated financial statements, the Supervisory Board assesses to what extent each target has been met, exceeded or missed, and calculates the specific degree of target achievement. The share of the target bonus accounted for by a target multiplied by the degree of target achievement gives the share achieved for each target. The sum total of all such amounts gives the total bonus earned, which is capped, however, at 200% of the target bonus.

If the targets set for a given fiscal year are not met at all, the bonus may be omitted.

The table below shows **by way of example** how the financial and non-financial performance criteria may be set and weighted and how the actual bonus amount for a member of the Management Board is determined annually on this basis:

	Percentage of target bonus in %	Degree of target achievement in % (fictional numbers)	Share achieved in %
Financial performance criteria			
EBITDA after IFRS 16	40.0	100	40.00
OCF after IFRS 16	30.0	95	28.50
Non-financial performance criteria			
Share of digital sales in total sales	7.5	80	6.00
Implementation of digitalization strategy	7.5	90	6.75
Size of the earnings impact from digitalization	7.5	90	6.75
Reduction of work-place accidents with lost working time (LTIF)	7.5	110	8.25
Total:	100.0		96.25
	Target bonus in EUR (fictional number)		Bonus achieved in EUR
Member of the Management Board	600,000		577,500

Personal investment component

Beyond the annual target achievement, the annual bonus shall also provide incentives for long-term and sustainable growth in the value of the Company. The targets to be set annually are already intended in themselves to promote the strategic and sustainable development of Klöckner & Co, as described above. In addition, the members of the Management Board must use the majority of the annual bonus amount after statutory tax and social insurance deductions to purchase shares in the Company and hold them on a long-term basis.

The personal investment component is ensured to exceed the remaining cash component by requiring Management Board members to purchase such shares for a flat 30% of their gross annual bonus. Assuming a 50% tax and social insurance burden, 60% of the annual net bonus is consequently converted into the personal investment component. The shares are normally purchased on the first stock market trading day of the month following the payout of the cash component.

Shares purchased as part of the personal investment component are subject to a four-year lock-up period. Once this lock-up period expires, Management Board members are free to sell or continue to hold the shares.

The personal investment makes the multi-year performance of the Klöckner & Co share price a key determining factor of the variable Management Board remuneration. Management Board members benefit on the one hand from increasing share price until the end of the lock-up period, but on the other hand suffer a financial loss if the share price falls during that period. In addition to promoting sustainable development of the Company, the personal investment bonus component also aligns interests between the Management Board and shareholders and reinforces Management Board members' identification with the Company from the perspective of an investor.

Cash component

The bonus amount remaining after deduction of the personal investment component is paid out to Management Board members following the Supervisory Board meeting at which the annual financial statements are adopted for the respective reporting year. Assuming a 50% tax and social insurance burden, 40% of the annual net bonus is consequently paid out.

The weighting of the cash component relative to the personal investment component ensures that the achievement of annual targets is appropriately subordinate in nominal terms to multi-year growth in the value of the Company.

Discretionary bonus

In exceptional instances, to reward special performance and successes on the part of members of the Management Board, the Supervisory Board may, at its reasonable discretion, grant an extraordinary bonus (discretionary bonus). Also including any extraordinary bonus, the annual bonus granted may not exceed 200% of the target bonus. The Supervisory Board may make the granting of a discretionary bonus to a member of the Management Board conditional upon the Management Board member using part or all of the discretionary bonus to purchase shares in the Company.

In the exceptional event of a discretionary bonus being granted, the Supervisory Board will report on it transparently and in detail.

6. Target total remuneration under the new remuneration system and assessment of the appropriateness of Management Board remuneration

On the basis of the remuneration system, the Supervisory Board determines the specific target total remuneration for each Management Board member for the forthcoming fiscal year as the sum total of all remuneration components in the event of full target achievement. With regard to ancillary benefits, the Supervisory Board can base its determination on reasonable estimates.

The Supervisory Board sets target total remuneration that it considers to be appropriate, competitive and in line with the market. In particular, target total remuneration is set in such a way that it is appropriate to each Management Board member's own tasks and performance as well as to the enterprise's overall situation and performance and such that it does not exceed the usual level of remuneration without specific reasons.

The appropriateness of Management Board remuneration is also ensured considering the results of horizontal and vertical benchmarking of Management Board remuneration by the Supervisory Board.

- **Horizontal benchmarking:** In order to assess whether the specific total remuneration of Management Board members is in line with usual levels, the Supervisory Board regularly applies a peer-group comparison. This is a horizontal assessment of the appropriateness of Management Board remuneration against an appropriate peer group of other companies. With respect to the peer group, the Supervisory Board takes into account the limited number of national and European companies with a comparable market position to Klöckner & Co SE. The Supervisory Board therefore includes in the peer-group comparison a selection of companies in the SDAX index that are comparable in terms of sales and number of employees, the average management board compensation at SDAX companies, and also a selection of international companies with comparable market positions or business models.
- **Vertical benchmarking:** Furthermore, the Supervisory Board regularly assesses Management Board remuneration with regard to its appropriateness within the Company. For this vertical benchmarking, the Supervisory Board considers the ratio of Management Board remuneration to senior management and Group-wide employee remuneration overall, including its development over time. The Supervisory Board defines senior management for this purpose as comprising those management levels throughout the Group below the Management Board of Klöckner & Co SE that the internal job evaluation system classifies in Management Level 1.

7. Maximum remuneration under the new remuneration system

The Company's maximum expense for a member of the Management Board can be calculated for each fiscal year on the basis of the fixed salary, the capped annual bonus and the likewise capped retirement provision and ancillary benefits.

In addition, in accordance with Section 87a (1) sentence 2 no. 1 AktG, the remuneration system proposed by the Supervisory Board specifies an absolute euro figure for the maximum amount of remuneration granted to a Management Board member in a given fiscal year (maximum remuneration). For this purpose, the Supervisory Board assumed the maximum expense that the Company would incur for the individual Management Board members for the current fiscal year 2021 applying the caps on retirement provision and ancillary benefits applicable under the new remuneration system. In addition, a moderate additional buffer of around 20% is included to enable a flexible response to market changes and currently unforeseeable situations

during the lifetime of the remuneration system. Including this additional buffer, the maximum remuneration for the Chairman of the Management Board is set at EUR 6.4 million per year, for the Deputy Chairman of the Management Board EUR 4.0 million per year and for the remaining members of the Management Board EUR 2.2 million per year.

This maximum remuneration thus determined for the purposes of the German Stock Corporation Act is not the level of remuneration targeted by the Supervisory Board. It merely sets an absolute upper limit on the total annual remuneration achievable under the remuneration system and is to be clearly distinguished from the target total remuneration.

8. Exceptional developments and scope for derogation

The criteria for measuring performance-related remuneration and the annual targets set by the Supervisory Board before the beginning of the fiscal year shall not be changed in the course of a fiscal year. Subsequent changes to the measurement criteria and targets are not possible.

Exceptional developments that could lead to inappropriately high remuneration for a member of the Management Board are countered by the cap on the annual bonus (see heading III. sub-heading 5 above). If exceptional developments lead to inappropriately low remuneration, the Company may, by resolution of the Supervisory Board, grant a discretionary bonus to a member of the Management Board in the event of special performance and successes (see heading III. sub-heading 5 above).

In addition, Section 87a (2) sentence 2 AktG allows the Supervisory Board to temporarily derogate from the remuneration system if this is necessary to serve the long-term interests of the Company and if the remuneration system specifies the procedural conditions under which the derogation can be applied and the elements of the remuneration system from which a derogation is possible. Procedurally, any such derogation requires an explicit resolution of the Supervisory Board determining the duration of the derogation, the derogation as such and the specific reason for it. Substantively speaking, the Supervisory Board may derogate from the following elements of the remuneration system: (i) provisions regarding procedure, remuneration structure and amount as well as (ii) individual remuneration components. In particular, the relative proportion accounted for by the individual remuneration components and their respective preconditions may be derogated from and the fixed remuneration salary may also be temporarily set at a different level in individual cases if this is in the long-term interest of the Company. Examples include alignment of the remuneration system in the event of a significant change in corporate strategy that requires a change in incentives, or external circumstances such as a severe economic crisis.

9. Clawback for variable remuneration

The Company may claw back performance-related remuneration (bonuses) if, after payment, it reveals that the audited and adopted consolidated financial statements on which the bonus entitlement is based were objectively in error and therefore, in accordance with the relevant accounting standards, are subsequently corrected either retrospectively or in the current consolidated financial statements, and a smaller or zero bonus entitlement would have arisen on the basis of the corrected audited consolidated financial statements. The Management Board member does not need to be at fault with regard to the need for correction of the consolidated financial statements (clawback). The clawback claim is due on correction of the consolidated financial statements. It also applies if the term of office and/or contract with the Management Board member has already terminated or is expired at the time the clawback claim falls due.

The amount of the clawback claim is the difference between the performance-related remuneration paid and the performance-related remuneration that should have been paid on the basis of the corrected audited consolidated financial statements. The Management Board member must reimburse the gross amount, meaning the amount of clawback claim including taxes and social insurance contributions paid on that amount by the Company. Subsequent correction of the consolidated financial statements may not under any circumstances lead to an increase in the entitlement to performance-related remuneration.

The Supervisory Board will, in the exercise of its professional judgment, agree on the details of the clawback arrangement in the individual contracts with the members of the Management Board. The right to assert other claims against members of the Management Board, in particular including claims for damages, remains unaffected.

10. Offset of remuneration for supervisory board positions

Remuneration for any intra-Group supervisory board positions or other concurrent board positions is offset from the fixed salary. If a member of the Management Board wishes to accept a supervisory board position outside of the Group with the consent of the Supervisory Board, the Supervisory Board will decide as part of the required consenting resolution whether and to what extent the outside remuneration is deducted from the fixed salary.

11. Benefits on commencement of Management Board service and covering of currency risk

The Supervisory Board may agree to make payments to newly appointed members of the Management Board when they take up their position in order to compensate for any costs incurred, notably benefits forgone (such as pension awards) upon leaving their previous employer, to meet costs of taking up the position, in particular any relocation costs, or as an inducement to join Klöckner & Co. In exercising its professional judgment, the Supervisory Board will decide whether, and in what amount within the maximum remuneration limits, it will agree by way of exception to such additional remuneration benefits and will stipulate the payment amount on an individual contract basis. Such awards will be disclosed separately in the Remuneration Report.

To cover currency risk, the Supervisory Board may agree in the individual contracts with members of the Management Board whose habitual place of residence is outside of the eurozone that all or specific remuneration components are not permitted to fall below a specified equivalent value in the Management Board member's home currency on a fixed date.

12. Contract term and remuneration related to the termination of Management Board office

In appointing members of the Management Board and in determining their contract term, the Supervisory Board observes the requirements of Section 84 AktG and the recommendations of the GCGC. On initial appointment, the service contracts of Management Board members will generally not exceed a term of three years. For reappointments and extensions to the term of office, the statutory maximum term is five years.

Without prejudice to any right of extraordinary termination, the Company will agree for the event that a Management Board member leaves office prematurely that the Management Board member's contract may be terminated prematurely ahead of term by ordinary notice observing the notice period specified in Section 622 (2) of the German Civil Code (*BGB*). Said notice period will be determined taking into account the entire duration of service with the Company, including any employment prior to joining the Management Board. In the event of termination of contract ahead of term by ordinary notice given by the Company,

a severance payment for the Management Board member will be agreed in the amount of two years' remuneration (severance cap). If the remaining term of contract is less than two years, the severance payment is reduced and calculated pro rata temporis. No severance payment will be granted in the event of termination for a good cause by the Company.

The amount of annual remuneration relevant for the calculation of the severance payment cap is the sum total of the fixed salary and the annual bonus for the last full fiscal year before termination of the contract. If the contract has lasted less than one full fiscal year, the annual bonus is assumed to be the target bonus.

Change of control clauses that commit to benefits in the case of early termination of a Management Board member's contract due to a change of control are not normally agreed upon. Should the Supervisory Board agree on such benefits by way of exception, it will report on them transparently and in detail. The current contracts with members of the Management Board do not commit to any benefits in the event of a change of control.

Post-contractual non-compete covenants are agreed with the members of the Management Board providing for compensation payable by the Company for the duration of the post-contractual non-compete covenant of up to two years. For the duration of the non-compete covenant, the Management Board member concerned receives monthly compensation, commencing the month following termination of contract, amounting to 50% of one-twelfth of the then applicable total direct remuneration (fixed salary and target bonus). In accordance with Section 74c of the German Commercial Code (HGB), any other earnings and any earnings willfully foregone are deducted. The compensation is offset against any severance payment. In the event of termination for a good cause, the party having the right to terminate can cancel the post-contractual non-compete covenant within one month of termination. Furthermore, the Company may waive the non-compete covenant at any time at six months' notice, with the entitlement to compensation ending at the end of the notice period.

In the event that a member of the Management Board becomes permanently incapacitated for work during the term of the Management Board member's contract, the contract terminates at the end of the sixth month following determination of the permanent incapacity for work, unless the regular contract term under the contract ends earlier. Permanent incapacity to work is defined as when a member of the Management Board is likely to be permanently unable to perform their assigned duties without limitation.

In case of the death of a member of the Management Board during the contract term, the widowed spouse and dependent children under the age of 25 living in the same household as the Management Board member are entitled as joint and several creditors to continued payment of the agreed Management Board remuneration for the month of the death and the following six months.

13. Remuneration Report

The Management Board and the Supervisory Board of Klöckner & Co SE additionally prepare an annual report on remuneration granted and owed by the Company and its affiliated companies to each individual current or former member of the Management Board and of the Supervisory Board in the last fiscal year. This Remuneration Report is audited by the auditor and submitted to the Annual General Meeting of the Company for approval.

IV. Supplementary information on agenda item 7

Supervisory Board remuneration

For their service, the members of the Supervisory Board of Klöckner & Co SE receive fixed annual remuneration plus meeting attendance fees. The remuneration of the members of the Supervisory Board is set out in Section 14 of the Articles of Association as follows:

"Section 14 Remuneration

(1) The members of the Supervisory Board shall receive, in addition to the reimbursement of their reasonable cash expenses and the value added tax accruing on their compensation and expenditures, a fixed annual compensation in the amount of EUR 40,000.

(2) The Chairman of the Supervisory Board shall receive two and a half times, his deputy one and a half times and the Chairman of the Audit Committee one and a quarter times the compensation as set forth in para. 1.

(3) In addition, Supervisory Board members shall receive an attendance fee of EUR 2,000 for each Supervisory Board meeting and committee meeting they attend. The Supervisory Board Chairman and the Chairman of a Supervisory Board Committee shall receive two and a half times and the deputy of the Supervisory Board Chairman and deputies of a Chairman of a Supervisory Board Committee shall receive one and a half times the attendance fee.

(4) Supervisory Board members that sit on the Supervisory Board only during part of the fiscal year shall receive one twelfth of the compensation for each month or part of a month of their membership. The same shall hold true for the increase in compensation of the Chairman of the Supervisory Board and his deputy as well as the Chairman of the Audit Committee pursuant to para. 2.

(5) The compensation pursuant to para. 1 and the attendance fee shall become due after the end of the Annual General Meeting that receives the consolidated financial statements for the relevant fiscal year or decides on the approval thereof.

(6) The Company may maintain, on its own behalf and at its own expense, a reasonable amount of directors' and officers' liability insurance for its executive bodies. If it does so, the Supervisory Board members are to be included."

The remuneration system underlying these Articles of Association is as follows, applying Section 87a (1) sentence 2 AktG analogously:

The Supervisory Board of Klöckner & Co SE has the task of supervising the Management Board in its management of the business both retrospectively and prospectively. For this purpose, it receives appropriate and also competitive remuneration. This enables the Company to attract and retain suitable candidates for the office of Supervisory Board member. The remuneration is intended to appropriately remunerate the members of the Supervisory Board for their prudent and conscientious supervision of the Management Board. In this way, it promotes the corporate strategy and the Company's long-term development.

While members of the Management Board also receive performance-related remuneration components, remuneration for the members of the Supervisory Board is structured entirely as fixed remuneration. This strengthens the independence of the Supervisory Board and also complies with Recommendation G.18 sentence 1 of the German Corporate Governance Code (GCGC). The fixed remuneration promotes objective and neutral advice and oversight as well as independence in appointment and remuneration decisions in relation to the Management Board.

In accordance with Recommendation G.17 of the GCGC, remuneration for Supervisory Board membership takes appropriate account of the larger time commitment of the Chairman and the Deputy Chairman of the Supervisory Board as well as of the chairpersons and members of any committees. The Chairman of the Supervisory Board thus receives two-and-a-half times, his deputy one-and-a-half times and the Chairman of the Audit Committee one-and-a-quarter times the annual remuneration. In addition, Supervisory Board members receive an attendance fee for each Supervisory Board meeting and committee meeting they attend. The Chairman of the Supervisory Board and the chairperson of a Supervisory Board committee each receive two-and-a-half times and their deputies one-and-a-half times this amount.

Supervisory Board members who sit on the Supervisory Board only during part of a fiscal year receive one-twelfth of the annual remuneration for each month or part-month of their membership. The same applies to increases in the annual remuneration of the Chairman of the Supervisory Board and his deputy as well as of the Chairman of the Audit Committee. The fixed annual remuneration and the attendance fee fall due after the end of the Annual General Meeting that receives or decides on the approval of, the consolidated financial statements for the respective fiscal year.

In addition, the Articles of Association specify that the Company may maintain, on its own behalf and at its own expense, reasonable directors' and officers' liability insurance cover for its governing bodies and, if it does so, the Supervisory Board members are to be included in that insurance.

The level of remuneration set out in the Articles of Association is intended to be commensurate with the duties of the Supervisory Board members and the situation of the Company and also to be customary in comparison with supervisory board remuneration at other listed companies. For this purpose, the Supervisory Board, with the support of its Presidium, reviews the appropriateness of the remuneration on a regular basis and at least once every four years in preparation for the proposal for a resolution by the Annual General Meeting on the remuneration of the members of the Supervisory Board. Supervisory Board remuneration is not vertically benchmarked against the remuneration of other Company or Group employees due to the special nature of Supervisory Board service.

Additional Information regarding the Virtual Annual General Meeting

The Management Board has decided, with the consent of the Supervisory Board, that the Annual General Meeting will be held as a Virtual Annual General Meeting without physical presence of either the shareholders or their proxies pursuant to Section 1 (2) of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 pandemic (hereinafter COVID-19 Act; most recently amended by the Act to further shorten the residual debt discharge procedure and to adjust pandemic-related provisions in the corporate law, co-operative law, association law and the law of foundations as well as the rental and tenancy law).

The Virtual Annual General Meeting will be held on May 12, 2021, at 10:30 a.m. (CEST) on the Company's business premises at its headquarters in Duisburg, Am Silberpalais 1, 47057 Duisburg, Germany. Shareholders who have registered for the Virtual Annual General Meeting and their proxies can follow the entire Annual General Meeting live online using our Annual General Meeting Online Service at www.kloeckner.com/en/investors/annual-general-meeting/online-service.html. There will be no electronic participation within the meaning of Section 118 (1) sentence 2 German Stock Corporation Act (AktG). Shareholders or their proxies may exercise their voting rights by way of absentee ballot or by authorizing persons appointed by the Company to vote on their behalf; they may also ask questions and raise objections against resolutions of the Annual General Meeting by means of electronic communication.

Requirements for participation, information on the exercise of voting rights in connection with the Virtual Annual General Meeting and other details pursuant to Section 121 (3) sentence 3 of the German Stock Corporation Act (AktG)

Requirements for participation and for the exercise of voting rights

Shareholders are entitled to participate in the Annual General Meeting, and to exercise their voting rights, who have registered with the Company at the address or fax number below by no later than the end of the day on May 5, 2021 (midnight CEST) at the following address (in writing or by fax)

Hauptversammlung Klöckner & Co SE
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg, Germany

Fax: +49 89 2070 37951

or electronically by using the password-protected Online Service for the Virtual Annual General Meeting at www.kloeckner.com/en/investors/annual-general-meeting/online-service.html and who are listed in the Company's shareholders' register at the time of the Virtual Annual General Meeting. Forms that shareholders may use to register are enclosed with the invitation letter to shareholders.

All the shareholders who so request or who are registered in the shareholders' register on April 21, 2021 (0:00 CEST) will be sent by post (or if registered for e-mail delivery, by e-mail) an invitation letter with reference to the agenda and for registration, and including a registration form. The reverse of the invitation letter contains the personal login data – shareholder number and individual access number – required to use our Online Service for shareholders. As in the previous year, you may register for the (Virtual) Annual General Meeting using our Annual General Meeting Online Service (www.kloeckner.com/en/investors/annual-general-meeting/online-service.html). A registration via the Annual General Meeting Online Service is likewise only possible until the end of the day on May 5, 2021 (midnight CEST).

Shareholders may continue to freely dispose of their shares after having registered for the Annual General Meeting. However, in relation to the Company, under Section 67 (2) sentence 1 AktG, rights and obligations arising from shares only apply for and against shareholders listed in the shareholders' register. The right to participate and the exercise of voting rights in connection with the Virtual Annual General Meeting are thus determined by the date of the virtual Annual General Meeting. Please note that no changes are made to the entries in the shareholders' register between May 6, 2021 and May 12, 2021 (both inclusive), meaning that acquirers of shares whose registration requests are received after May 5, 2021 will not be entered in the shareholders' register until after the Virtual Annual General Meeting. The technical record date is therefore the end of the day on (midnight) on May 5, 2021. In light of this, all acquirers of shares in the Company not yet listed in the shareholders' register are asked to request registration as soon as possible.

Procedures for exercising voting rights by proxy

Shareholders may have their voting rights exercised by proxy, such as a shareholders' association or the proxy holders nominated by the Company. In such case as well, registrations must be submitted on time and shareholders must be listed in the Company's shareholders' register at the time of the Virtual Annual General Meeting (see technical record date, above). Shareholders will receive a corresponding form together with the invitation letter to the Virtual Annual General Meeting. Such a form will also be sent to shareholders at any time upon request in text form. It may also be downloaded online at www.kloeckner.com/en/investors/annual-general-meeting.html.

If neither an intermediary nor a shareholders' association, a proxy advisor or any other person or institution considered equivalent pursuant to Section 135 (8) AktG is authorized to act as proxy, the granting of proxies, their revocation and proof of authorization provided to the Company must be made in text form. Proxies and revocations of proxy may either be sent to the Company (by post, fax or e-mail) at the following address or fax number

Hauptversammlung Klöckner & Co SE
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg, Germany

Fax: +49 89 2070 37951
E-mail: hv-service.kloeckner@adeus.de

or issued to the proxy holder. If a proxy is issued to the proxy holder, proof of the proxy must be provided to the Company. Proof may be sent to the Company (by post, fax or e-mail) at the above address.

You may also use our Annual General Meeting Online Service (www.kloeckner.com/en/investors/annual-general-meeting/online-service.html) to authorize the proxy holders nominated by the Company to exercise your voting right.

Should an intermediary, a shareholders' association, a proxy advisor or any other person or institution considered equivalent pursuant to Section 135 (8) AktG be authorized to act as proxy, we ask that you clarify, in good time, the form of proxy required with the authorized person or institution. Special proof of the proxy is not required by the Company in this case.

Please note that also your proxies will not be physically present and, therefore, may exercise voting rights in the Virtual Annual General Meeting solely by way of absentee ballot or via the proxy holders nominated by the Company.

Where proxy holders nominated by the Company are to be authorized, they must be instructed on how to exercise the voting rights. Proxy holders are obliged to vote in accordance with these instructions. Please note that proxy holders nominated by the Company are unable to accept any authority or instruction to ask questions or to submit motions or to file objections against shareholders' resolutions, and that they will always abstain from voting in votes for which no instructions have been given.

Communications granting and revoking proxies to the proxy holders nominated by the Company or issuing and amending instructions, if sent by post, must be received at the latest until the end of the day on May 11, 2021 (midnight CEST) at the address below:

Hauptversammlung Klöckner & Co SE
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg, Germany

The granting and revocation of proxies to the proxy holders nominated by the Company and the issuance and amendment of instructions may be submitted electronically using our Annual General Meeting Online Service (www.kloeckner.com/en/investors/annual-general-meeting/online-service.html), in text form by fax (+49 89 2070 37951) or by e-mail (hv-service.kloeckner@adeus.de) up to the beginning of voting at the Annual General Meeting. The same applies to any change from proxy voting to absentee ballot (or vice versa) submitted by the same means.

In the event that the Company receives conflicting communications by different channels and it is not apparent which is most recent, then communications transmitted via our Annual General Meeting Online Service will be considered first, followed by the communications sent via e-mail, then communications sent by fax and lastly communications received by post.

Procedures for voting by absentee ballot

You or your proxies may exercise your voting rights by absentee ballot. In the case of an absentee ballot, registrations to the Virtual Annual General Meeting must also be submitted on time and shareholders must also be listed in the Company's shareholders' register at the time of the Virtual Annual General Meeting (see technical record date above).

Shareholders have various ways of voting by absentee ballot:

An absentee vote may be cast by post, fax or e-mail. Shareholders will receive a corresponding form together with their invitation letter. The absentee ballot form will also be sent to shareholders at any time upon request in text form. It may also be downloaded online at www.kloeckner.com/en/investors/annual-general-meeting.html.

Supplementary information on agenda item 7

Furthermore, absentee votes may be submitted via our Annual General Meeting Online Service (www.kloeckner.com/en/investors/annual-general-meeting/online-service.html).

Votes cast by absentee ballot and changes to votes cast by absentee ballot, if sent by post, must be received at the latest until the end of the day on May 11, 2021 (midnight CEST) at the address below:

Hauptversammlung Klöckner & Co SE
c/o ADEUS Aktienregister-Service-GmbH
Postfach 57 03 64
22772 Hamburg, Germany

Votes cast by absentee ballot and changes to votes cast by absentee ballot may be communicated electronically using our Annual General Meeting Online Service (www.kloeckner.com/en/investors/annual-general-meeting/online-service.html), in text form by fax (+49 89 2070 37951) or by e-mail (hv-service.kloeckner@adeus.de) up to the beginning of voting at the Annual General Meeting.

If, despite having already cast a vote by absentee ballot, a shareholder decides to have the respective shares represented by a proxy, this is possible subject to the foregoing and will be deemed as revoking the vote cast by absentee ballot.

Authorized intermediaries (in particular credit institutions), shareholders' associations, proxy advisors, other persons referred to in Section 135 (8) AktG and other authorized proxies may also cast their vote by absentee ballot.

If shareholders or their proxies submit votes by absentee ballot as well as authorizations/instructions for the proxy holders nominated by the Company, the most recent declaration will be taken as authoritative. In the event that the Company receives conflicting communications by different channels and it is not apparent which is most recent, then communications transmitted via our Annual General Meeting Online Service will be considered first, followed by the communications sent via e-mail, then communications sent by fax and lastly communications received by post.

(Counter) motions and election nominations

(Counter) motions and election nominations by shareholders pursuant to Sections 126 and 127 AktG relating to one or more agenda items must be sent (by post, fax or e-mail) exclusively to:

Klöckner & Co SE
Zentralbereich Legal & Compliance
Am Silberpalais 1
47057 Duisburg, Germany

Fax: +49 203 57900 2116
E-mail: hv@kloeckner.com

All (counter) motions and election nominations by shareholders to be made available in accordance with Sections 126 and 127 AktG will be published online www.kloeckner.com/en/investors/annual-general-meeting.html in accordance with the legal provisions and together with any comments by the management, provided they are received at the above address by no later than the end of the day on April 27, 2021 (midnight CEST).

Such (counter) motions and election nominations required to be published pursuant to Sections 126 and 127 AktG will be treated as having been made in the virtual Annual General Meeting pursuant to Section 1 (2) sentence 2 of the COVID-19 Act if the shareholder making the motion or election nomination is duly registered for the Annual General Meeting.

Supplementary motions for the agenda at the request of a minority pursuant to Article 56 of the European Company (SE) Regulation, Section 50 (2) of the German SE Implementation Act (SE-Ausführungsgesetz, SEAG) and Section 122 (2) AktG

Pursuant to Article 56 of the European Company (SE) Regulation and Section 50 (2) of the German SE Implementation Act in conjunction with Section 122 (2) AktG, shareholders whose combined shares represent a proportionate amount of the Company's share capital of at least EUR 500,000.00 (equivalent to 200,000 no-par-value shares of the Company) may request that items be added to the agenda and announced.

Such requests for additions to the agenda must reach the Company in writing together with the evidence and documents required by law at least 30 days prior to the Annual General Meeting, i.e. by no later than the end of the day on April 11, 2021 (midnight CEST), at the following address:

Klößner & Co SE
Zentralbereich Legal & Compliance
Am Silberpalais 1
47057 Duisburg, Germany

Right of shareholders to ask questions by means of electronic communication pursuant to Section 1 (2) sentence 1 no. 3 and sentence 2 of the COVID-19 Act

Pursuant to Section 1 (2) sentence 1 no. 3 and sentence 2 of the COVID-19 Act shareholders have the right to ask questions by means of electronic communication. Questions may be submitted by means of electronic communication one day prior to the Virtual Annual General Meeting at the latest.

Shareholders who have registered to participate in the Virtual Annual General Meeting as well as their proxies may submit their questions **solely via our Online Service for the Virtual Annual General Meeting in German language** at www.kloeckner.com/en/investors/annual-general-meeting/online-service.html to the Company until the end of the day on Monday, May 10, 2021 (midnight CEST).

The Management Board decides how it answers to questions at its due and free discretion; in particular, it may combine multiple questions.

Supplementary information on agenda item 7

Possibility of filing objections against resolutions by the Virtual Annual General Meeting pursuant to Section 245 No. 1 AktG in conjunction with Section 1 (2) sentence 1 no. 4 of the COVID-19 Act

Pursuant to Section 245 No. 1 AktG in conjunction with Section 1 (2) sentence 1 no. 4 of the COVID-19 Act, shareholders who have exercised their voting rights by absentee ballot or via proxy may – themselves or by proxy – file objections against resolutions of the Virtual Annual General Meeting, without being present in person at the meeting on May 12, 2021, by means of electronic communication via our Online Service for the Virtual Annual General Meeting at www.kloeckner.com/en/investors/annual-general-meeting/online-service.html.

Website with information on the Annual General Meeting

This Invitation, together with all other information on the Virtual Annual General Meeting, including a more detailed explanation of the shareholders' rights listed above and the information that has to be made available pursuant to Section 124a AktG, is available online at www.kloeckner.com/en/investors/annual-general-meeting.html.

Broadcast of the Virtual Annual General Meeting

The entire Virtual Annual General Meeting may be followed live via our Online Service for the Virtual Annual General Meeting at www.kloeckner.com/en/investors/annual-general-meeting/online-service.html on May 12, 2021 from 10:30 a.m. (CEST). Recordings of the opening of the Virtual Annual General Meeting by the chairman of the meeting, the CEO's speech and the report by the Supervisory Board will be available on the Company website following the end of the Annual General Meeting.

Total number of shares and voting rights

At the time of convocation of this Virtual Annual General Meeting, the Company's share capital totaled EUR 249,375,000.00, comprising 99,750,000 no-par-value registered shares, each carrying one voting right. The total number of shares and voting rights at the time of convocation of the Virtual Annual General Meeting therefore amounts to 99,750,000.

Information on Data Protection for Shareholders

When you register for the Virtual Annual General Meeting or authorize a proxy, we will collect personal data on you and/or your authorized proxy. We do so to enable shareholders to exercise their rights at the Virtual Annual General Meeting.

As data controller, Klöckner & Co SE will process such data in the context of the Annual General Meeting in compliance with the provisions of the EU General Data Protection Regulation (GDPR) and all further applicable laws. Details of how your personal data is handled and your rights under the GDPR can be found on the Virtual Annual General Meeting website: www.kloeckner.com/en/investors/annual-general-meeting.html. Shareholders who authorize a proxy are kindly asked to communicate this information on data protection to the proxy.

Duisburg, March 2021

Klöckner & Co SE
Management Board

Would you like to receive your documents for General Meetings by e-mail? For more information, and to register, please visit www.kloeckner.com/en/investors/annual-general-meeting/online-service.html

All shareholders who have registered by May 19, 2021 for their invitations to General Meetings to be sent to them by e-mail will take part in a draw, where they can win one of three Apple® iPad mini (excl. network access contract).

Klöckner & Co SE

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