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INVITATION

TO THE ANNUAL GENERAL MEETING OF KLÖCKNER & CO SE

May 23, 2024

Klöckner & Co SE
with registered office in Duisburg, Germany
– ISIN DE000KC01000 –
– Security Identification No. (Wertpapierkennnr.) KC0100 –

Invitation to the Annual General Meeting

(unique identifier of the event: GMETKCO124RS)

Dear Shareholders,

We hereby invite you to the Annual General Meeting of Klöckner & Co SE on Thursday, May 23, 2024, at 10:30 a.m. (CEST; UTC +2) at Congress Center Düsseldorf (CCD Süd), Messe Düsseldorf, Stockumer Kirchstraße 61, 40474 Düsseldorf, Germany,

The entire Annual General Meeting will be broadcast live via our Online Service for the Annual General Meeting at https://www.kloeckner.com/en/investors/annual-general-meeting/online-service.html on May 23, 2024 from 10:30 a.m. (CEST). The opening of the Annual General Meeting by the chairman of the meeting, the CEO's speech and the report by the Supervisory Board will additionally be broadcast live online on the day of the Annual General Meeting at https://www.kloeckner.com/en/investors/annual-general-meeting.html.

Contents

This document is a convenience translation of the German original.
In case of discrepancy between the English and German versions, the German version shall prevail.

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 2023, as well as resolution on the appropriation of net income for fiscal year 2023

The Management Board and the Supervisory Board propose that the net income of Klöckner & Co SE available for distribution for fiscal year 2023 in the amount of EUR 19,950,000 be appropriated as follows:

Distribution of a dividend of EUR 0.20 per share vested with dividend rights; at 99,750,000 shares vested with dividend rights, this corresponds to a total distribution of EUR 19,950,000.

The dividend will be paid out on May 28, 2024.

The annual and consolidated financial statements were approved by the Supervisory Board on March 5, 2024. The annual financial statements have thus been adopted. Therefore, no resolution by the Annual General Meeting is required. However, the above-mentioned documents must be made available to the Annual General Meeting and can therefore be downloaded as from the convocation date of the Annual General Meeting at https://www.kloeckner.com/en/investors/annual-general-meeting.html.

2. Ratification of the actions of the members of the Management Board for fiscal year 2023

The Management Board and the Supervisory Board propose that the actions of the members of the Management Board who held office in fiscal year 2023 be ratified for that year.

3. Ratification of the actions of the members of the Supervisory Board for fiscal year 2023

The Management Board and the Supervisory Board propose that the actions of the members of the Supervisory Board who held office in fiscal year 2023 be ratified for that year.

4. Supervisory Board election

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.

Ute Wolf, member of the Supervisory Board of Klöckner & Co SE and Chairwoman of the Audit Committee, has resigned from office effective the end of the Annual General Meeting on May 23, 2024, 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

Dagmar Steinert, Mannheim, Chief Financial Officer of Rheinmetall AG

as member of the Supervisory Board.

The election is effective as of the close of the Annual General Meeting on May 23, 2024, for a term of office until the close of the Annual General Meeting that ratifies the actions of the Supervisory Board for the third fiscal year following commencement of the term of office, not including the fiscal year in which the term of office begins.

In addition, notification is hereby given that in the event of her election by the Annual General Meeting, Dagmar Steinert intends to stand for election by the Supervisory Board as a member of the Audit Committee. Uwe Röhrhoff will stand for election by the Supervisory Board to succeed Ute Wolf as Chairman of the Audit Committee.

Supplementary information on the candidate with regard to Recommendation C.13 of the German Corporate Governance Code:

Dagmar Steinert is the Chief Financial Officer of Rheinmetall AG and a qualified tax consultant and chartered accountant (*Wirtschaftsprüferin*). In addition to her many years of management experience, she also has supervisory board experience. According to the assessment of the Supervisory Board, Dagmar Steinert 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.

In the opinion of the Supervisory Board, Dagmar Steinert meets the requirements of Section 100 (5) of the German Stock Corporation Act (AktG) with regard to expertise both in the field of accounting and in the field of auditing, in each case including sustainability reporting.

The Supervisory Board's election nomination is based on the recommendation of the Presidium in its capacity as Nomination Committee, is in accordance with the objectives for the Supervisory Board's composition resolved by the Supervisory Board and aims 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 2023. This is included in the Annual Report 2023 and is part of the documents referred to under agenda item 1, which are available at https://www.kloeckner.com/en/investors/annual-general-meeting.html and will be sent to shareholders on request.

The election nomination is also in line with the new target for the percentage of women on the Supervisory Board set in 2022 by the Supervisory Board in accordance with Section 111 (5) AktG. That target is for the percentage of women on the Supervisory Board to be at least 33.3% by June 30, 2027, corresponding to two women in the case of six Supervisory Board members. While the target has not yet been met, the election of the nominated candidate would maintain/restore the current percentage of women following the departure of Ute Wolf. The Supervisory Board will continue to give priority to the aforementioned target percentage in the next Supervisory Board elections, with the next regular elections due to take place no later than 2026, to the extent that suitable female candidates are available at the time of any vacancy; the same applies with regard to further increasing diversity in the long term.

The résumé and further information on the candidate nominated for election are provided in section II. of this invitation. The résumés of all members of the Supervisory Board are available on the Company's website at https://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 as well as for the audit of the sustainability reporting

At the recommendation of the Audit Committee, the Supervisory Board proposes electing PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, Germany,

a) as auditor and Group auditor for fiscal year 2024,

b) as auditor for the review, if applicable, of the condensed financial statements and the interim management report of the half-yearly financial report for fiscal year 2024,

c) as auditor for any review of any additional interim financial information in the fiscal years 2024 and 2025, insofar as it complies with the requirements for the condensed financial statements and for the interim management report of the half-yearly financial report (Section 115 (7) of the German Securities Trading Act (WpHG)) and insofar as it is prepared prior to the 2025 Annual General Meeting, and

d) as auditor of the sustainability reporting for fiscal year 2024.

The election as auditor of the sustainability reporting for fiscal year 2024 is made as a precautionary measure for the event that the German legislator, in implementing Article 37 of the Audit Directive, Directive 2006/43/EC, as amended by the CSRD, Directive (EU) 2022/2462 of December 14, 2022, requires the express election by the Annual General Meeting of the auditor of the sustainability reporting, i.e., that the audit of the sustainability report is not to be conducted by the auditor of the financial statements in any case.

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 report for fiscal year 2023

Pursuant to Section 120a (4) of the German Stock Corporation Act (AktG), the Annual General Meeting must pass a resolution on the approval of the remuneration report for the previous fiscal year prepared and audited in accordance with Section 162 AktG.

The remuneration report for fiscal year 2023 was prepared by the Management Board and the Supervisory Board in accordance with Section 162 AktG and, as required by law, audited by the Company's auditor whether the statutory disclosures required in Section 162 (1) and (2) AktG had been made. Going beyond the statutory requirements, the auditor also conducted a substantive audit. The remuneration report and the auditor's report on its audit are reprinted in section III. of this invitation and may be viewed separately as a document for this Annual General Meeting at https://www.kloeckner.com/en/investors/annual-general-meeting.html, and will also be available on the Company's website at https://www.kloeckner.com/en/group/management-board/management-board-remuneration.html following the resolution of the Annual General Meeting for at least ten years.

The Supervisory Board and the Management Board propose that the remuneration report for fiscal year 2023 be approved.

7. 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), the annual general meeting of a listed company must, at every material change of the remuneration system and in any case at least once every four years, adopt a resolution on the approval of the remuneration system for the members of the management board resolved by the supervisory board in accordance with the requirements of Section 87a AktG. The current remuneration system for the members of the Management Board was approved by the Annual General Meeting on May 12, 2021.

The Supervisory Board regularly reviews the remuneration system. In this context, the Supervisory Board considers a limited-scope amendment to the current remuneration system to be indicated.

The proposed new remuneration system for the members of the Management Board is set out in section IV. of this invitation. It is additionally available at https://www.kloeckner.com/en/investors/annual-general-meeting.html and will also remain available there during the Annual General Meeting. In addition, an overview with explanations on the main elements of the remuneration system for the members of the Management Board and amendments to them can be found in section IV. of this invitation and online at https://www.kloeckner.com/en/investors/annual-general-meeting.html. A comparison with the current 2021 remuneration system showing the changes in detail can also be found under the web page for this Annual General Meeting at https://www.kloeckner.com/en/investors/annual-general-meeting.html.

If the Annual General Meeting approves the remuneration system, the amended remuneration system shall apply from January 1, 2024.

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 in section IV. of this invitation, be approved.

II. Supplementary information on agenda item 4

Résumé of the candidate for election to the Supervisory Board

Name	**Dagmar Steinert**
Residence	Mannheim
Year of birth	1964
Place of birth	Freiburg
Nationality	German
Occupation/ profession	Chief Financial Officer of Rheinmetall AG

Education
Studied business administration at the University of Cologne (Dipl.-Kffr.)
Tax consultant
Chartered accountant

Career

1993–2002	Worked for various audit firms, most recently for PricewaterhouseCoopers
2003–2013	Rheinmetall AG Head of Accounting
2013–2016	Fuchs Petrolub SE Head of Investor Relations
2016–2022	Fuchs Petrolub SE Chief Financial Officer
Since 2022	Rheinmetall AG Chief Financial Officer

Special knowledge and experience for supervisory board service
Dagmar Steinert serves as Chief Financial Officer of a large, internationally active, listed group and has many years of management experience. Through this and as tax accountant and chartered accountant she has, among other things, specific knowledge and experience in the application of accounting principles and internal control and risk management systems as well as in the auditing of financial statements. This, in both cases, also includes sustainability reporting and its audit and assurance. Furthermore, she served for several years as a member of the supervisory board and the audit committee of a big, international technology group.

Membership in domestic statutory supervisory boards
None

Membership in comparable German or foreign corporate supervisory bodies
4iG Nyrt plc, Budapest/Hungary, Member of the supervisory board

Other significant activities
None

III. Remuneration Report

This Remuneration Report summarizes the main features of the remuneration systems for the Management Board and the Supervisory Board and describes the structure and the amounts of remuneration in the reporting year. The Remuneration Report takes into account the recommendations of the German Corporate Governance Code (hereinafter referred to as the "Code") in the version of April 28, 2022, published on June 27, 2022. In accordance with Section 162 (1) of the German Stock Corporation Act, the Remuneration Report was prepared jointly by the Management Board and Supervisory Board and is audited by the auditor.

Review of fiscal year 2023

The Group's business performance in fiscal year 2023 was mainly influenced by the macroeconomic effects of interest rate rises and more restrictive monetary policy imposed by central banks in response to high inflation rates. In Europe, energy and commodity prices that continue to be structurally higher than in the USA had an additional negative impact on the general economic environment and on energy-intensive industries in particular. After rising at the beginning of the year, steel and metal prices corrected significantly during the year due to sluggish steel market demand. This negatively impacted Group operating income in the second half-year. The resulting inventory write-downs led overall to a decrease in gross profit for fiscal year 2023 compared to the prior year, although it was possible to achieve a slight improvement in the gross profit margin. The negative effects of this were mitigated by consequent net working capital management. Towards the end of the year, prices stabilized again and those in the USA increased significantly.

For further information on the business development of Klöckner & Co in the reporting year, please refer to the Management Report for fiscal year 2023.

Management Board remuneration

Annual General Meeting vote on the 2021 remuneration system; appraisal
On May 12, 2021, the Annual General Meeting of the Company approved the new remuneration system for the Management Board as submitted by the Supervisory Board, with a majority of 71.2% of valid votes cast. At its meeting following the Annual General Meeting (also on May 12, 2021), the Supervisory Board then adopted that remuneration system (hereinafter also referred to as the "2021 Remuneration System") in the form submitted to and approved by the shareholders. At its meeting in December 2021, the Supervisory Board consulted intensively on the outcome of the vote and on the related points of criticism raised with regard to the 2021 Remuneration System (among other things regarding the personal investment in shares as a long-term remuneration component in the nature of a long-term incentive (LTI) component and the possibility of providing a discretionary bonus). For further details, please see the relevant information in the Remuneration Report 2021.

Annual General Meeting vote on the Remuneration Report 2022; appraisal
The Company's Remuneration Report for fiscal year 2022 in accordance with Section 162 of the German Stock Corporation Act (AktG) was approved at the Annual General Meeting of the Company on May 17, 2023 with a majority of 91.65% of valid votes cast. Despite the encouraging voting outcome on the remuneration reports, the Supervisory Board continues to address both the 2021 Remuneration System and continuous improvement of the remuneration report. The Supervisory Board constantly monitors developments and trends in the market and annually reviews options for further developing the Management Board remuneration system. It conducted the last such review at its meeting in December 2023 and, following more in-depth discussion at its March meeting, plans to submit any changes to the remuneration system to shareholders for approval at the 2024 Annual General Meeting.

Remuneration systems
For a better understanding and transparency, the main features of the current 2021 Remuneration System are once again presented in the following.

BRIEF DESCRIPTION OF THE 2021 REMUNERATION SYSTEM
The 2021 Remuneration System takes into account all requirements under the Act Implementing the Second Shareholder Rights Directive (ARUG II) and under the Code in the version dated March 20, 2020 that was in force at that time; as the relevant Code provisions on management board remuneration are unaltered, the 2021 Remuneration System also fully complies with the now current version of the Code. The 2021 Remuneration System is outlined in brief below (a more detailed description of the 2021 Remuneration System is available on the Company's website at https://www.kloeckner.com/en/group/management-board/management-board-remuneration.html).

Under the 2021 Remuneration System, remuneration for Management Board members consists of non-performance-related (fixed) and performance-related (variable) components.

The **non-performance-related remuneration** consists of a fixed salary, retirement provisions and ancillary benefits.

- **Fixed salary:** 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 partway through the year, the fixed salary is paid pro rata temporis.

- **Retirement provisions:** 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 stipulations (effectively as cash compensation for retirement provision). Should a member of the Management Board wish instead to receive retirement provision in the same amount in the form of payments by the Company into a reinsured pension fund, the Company may accommodate this by making such payment; if desired, also in advance at the beginning of the year.

- **Ancillary benefits:** 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 legal expenses insurance and general legal expenses insurance) as well as the provision of communication devices and a company car for business and private use (potentially including driver in the case of the CEO). Ancillary benefits can vary in value from year to year for person- and occasion-related reasons 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.

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.

- **Target bonus:** The basis for determining the amount of the annual bonus is its target amount (target bonus). This is the bonus to which a member of the Management Board is entitled under his or her contract at 100% achievement of the specified 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 specified when setting the targets. If annual targets are exceeded, the bonus may therefore exceed the target bonus. However, it may not exceed 200% of the target bonus (cap). There is no guaranteed minimum target achievement; in the worst case scenario, therefore, there may be no payout at all. If a member of the Management Board is appointed or leaves partway through a year, the bonus is paid pro rata temporis.

- **Personal investment component:** Beyond the annual target achievement, the bonus also has the purpose of providing incentives for long-term and sustainable growth in the value of the Company. By including long-term target factors, the targets to be set annually are intended to promote the strategic and sustainable development of Klöckner & Co (see below under “Targets and target remuneration (target amount for direct remuneration; target total remuneration)”). In addition, the members of the Management Board must use the majority of the bonus amount after statutory tax and social insurance deductions to purchase shares in the Company and hold them on a long-term basis. To ensure that the personal investment component exceeds the remaining cash component, Management Board members are required 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 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. The shares are normally purchased on the first stock market trading day of the month following 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.

- **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.

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). The total annual bonus granted, including any extraordinary bonus, 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.

Clawback: The Company may claw back performance-related remuneration (bonuses) if, after payment, it transpires 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.

Targets and target remuneration (target amount for direct remuneration; target total remuneration):
The bonus is calculated for each fiscal year and depends on the degree of target achievement in relation both to financial and to non-financial targets.

For the financial targets, the Supervisory Board sets annual targets for financial key performance indicators and their respective weighting in 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.

With regard to financial targets, the Supervisory Board sets targets for selected financial key performance indicators at the level of the Group as a whole. The following financial performance indicators are generally used for this purpose:

- Earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted for any material special effects.
- Operating Cash flow (OCF).

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 (cash flow from operating activities 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 ensures a continuously effective incentive structure.

The Supervisory Board sets non-financial targets each year by specifying between three and six performance indicators from the following list of strategy and sustainability targets that are of importance to the strategic and sustainable development of the Company, including its corporate social responsibility (CSR).

- Strategy: (1) Business development, (2) Market development and exploitation, (3) Transformation and digitalization targets, (4) Optimization/efficiency improvements, (5) Leadership qualities and strategic priorities, (6) Corporate structure and organization and (7) Strategic projects
- Sustainability: (1) Compliance and risk management, (2) Customer satisfaction, (3) Employee-related targets (including health and satisfaction), (4) Diversity, (5) Advancements in innovation, (6) Succession planning, (7) Reporting and communication, (8) Reducing CO_2e emissions and sustainable use of resources

As with the financial targets, the Supervisory Board also attaches 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.

The Supervisory Board sets a target amount for 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.

Under the 2021 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 (see above, under “Performance-related variable remuneration”).

An additional remuneration component alongside the target amount for direct remuneration is the contribution to retirement provision, which is to be granted in the amount of 20% to 40% of the fixed salary, along with ancillary benefits, which are to be granted to Management Board members up to a maximum 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 the target amount for the bonus), the contribution to retirement provision and the ancillary benefits normally comprise all remuneration components and hence the target total remuneration.

Maximum remuneration: 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 of the German Stock Corporation Act, the 2021 Remuneration System specifies an absolute euro figure for the maximum amount of remuneration granted to a Management Board member in a given fiscal year (maximum remuneration). The maximum remuneration is set for the Chairman of the Management Board at €6.4 million per year, for the Deputy Chairman of the Management Board at €4.0 million per year and for the remaining members of the Management Board at €2.2 million per year. This is not the level of remuneration targeted by the Supervisory Board, however, and merely constitutes the absolute upper limit of the total annual remuneration achievable under the remuneration system.

The described 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 are generally set on a uniform basis. The Supervisory Board reserves the right to set individual targets for specific Management Board members if it deems it necessary to provide a differential incentive structure among the members of the Management Board. In addition, the remuneration system permits the agreement of benefits for newly appointed members of the Management Board when they take up their position (such as to compensate for benefits foregone on leaving previous employment) and to compensate for currency risks in the case of Management Board members whose habitual place of residence is outside of the eurozone.

A more detailed description of the 2021 Remuneration System, including, among other things, the scope for deviations from its stipulations and provisions for termination-related benefits, is available on the Company's website at https://www.kloeckner.com/en/group/management-board/management-board-remuneration.html.

SCOPE OF THE NEW 2021 REMUNERATION SYSTEM (GRANDFATHERING FOR EXISTING SERVICE CONTRACTS) 2016 REMUNERATION SYSTEM

In accordance with the transitional provisions under ARUG II and the Code, the scope of the new 2021 Remuneration System is limited to contracts entered into subsequent to its adoption (see Section 26j (1) of the Introductory Act to the Stock Corporation Act (EGAktG) read in conjunction with Section 87a (2) of the German Stock Corporation Act; rationale with regard to Section G of the Code in the version of December 16, 2019). The previous remuneration system for members of the Management Board of Klöckner & Co SE therefore applied until August 31, 2023 to the contract with Guido Kerkhoff that was already in place on May 12, 2021 (2016 Remuneration System – see below).

However, the contract entered into with Guido Kerkhoff in fiscal year 2020, amended at the beginning of 2021 and extended in September 2022 effective September 1, 2023, already took into account the revised version of the Code in 2020 and complies both with that version as well as with the current Code; it also takes into account and complies with the requirements of the new 2021 Remuneration System. This applies both to the contract as it stood from September 2023 following the contract extension and the original contract entered into in 2020 (even though the new 2021 Remuneration System did not yet apply when the original contract was signed).

In view of this, the 2016 Remuneration System is not presented in this Remuneration Report 2023. For a summary presentation of the 2016 Remuneration System, please see the Remuneration Report 2022 (https://www.kloeckner.com/dam/kco/files/en/publications/2023/Kloeckner_Co_Annual_Report_2022.pdf); a more detailed description of the 2016 Remuneration System is contained in the Company's past annual reports (most recently in the Annual Report 2020 from page 106 onwards, available on the Company's website at https://www.kloeckner.com/en/investors/publications.html).

Consideration of a resolution under Section 120a (4) of the German Stock Corporation Act
On May 17, 2023, the Annual General Meeting of the Company approved the Remuneration Report 2022 with a majority of 91.65% of valid votes cast. No points of criticism or critical questions were raised with regard to the Remuneration Report 2022. In light of this, the Supervisory Board sees no fundamental need to change the nature and scope of reporting with regard to Management Board remuneration. It nevertheless continues to address both the remuneration system and continuous improvement of the remuneration report (see above, under "Annual General Meeting vote on the Remuneration Report 2022; appraisal").

Remuneration in fiscal year 2023

CURRENT MEMBERS/MEMBERS IN OFFICE IN FISCAL YEAR 2023

a) Description of the remuneration structure

The remuneration structure in the reporting year for members of the Management Board in office in the reporting year is outlined in the following. All existing Management Board contracts have been in line with the 2021 Remuneration System since August 1, 2022 and were therefore in conformity with it throughout the reporting year (even though, due to grandfathering, that system did not apply to the contract with Guido Kerkhoff until September 1, 2023 – see above). The amounts stated below correspond to the contractually agreed annual remuneration; in the event of appointment to or departure from the Management Board during the year, they are therefore reduced pro rata temporis.

Fixed salary: The annual fixed salary for the full reporting year was as follows:

- Guido Kerkhoff (CEO since May 13, 2021): €983,333 (2022 €930,000),
- Dr. Oliver Falk: €465,000 (2022: €438,750),
- John Ganem: €465,000 (2022: €438,750),
- Bernhard Weiß (member of the Management Board since June 1, 2021): €420,000 (2022: €406,000).

Target bonus: The variable annual bonus as target bonus at 100% target achievement (maximum possible target achievement 200%) for the full reporting year was as follows (pro rata temporis in the case of Management Board members joining/leaving in the course of the year):

- Guido Kerkhoff (CEO): €1,460,000 (2022: €1,380,000),
- Dr. Oliver Falk: €690,000 (2022: €637,500),
- John Ganem: €690,000 (2022: €637,500),
- Bernhard Weiß: €600,000 (2022: €580,000).

The above fixed salary and target bonus figures for the reporting year take into account for Guido Kerkhoff the salary adjustment partway through the year, effective September 1, 2023, upon his reappointment (fixed salary increased from €930,000 to €1,090,000 per year and target bonus from €1,380,000 to €1,620,000 per year).

John Ganem's contract includes a stable-value clause for his bonus to limit effects of potential changes in the US dollar exchange rate. According to this, notwithstanding the amounts stated in the previous paragraph (i.e., €690,000), the target bonus is the equivalent of USD 740,000 if that amount is greater. The same stable-value adjustment applies to the bonus cap (USD 1,480,000). This stable-value clause may result in a higher euro amount due to exchange rate movements. The USD amount was determined in each case on the basis of the exchange rate at the time the contract (or contract extension) was signed.

Target amount for direct remuneration: The annual target amount for direct remuneration (fixed salary plus bonus at 100% target achievement) for the full reporting year was as follows (pro rata temporis in the case of Management Board members joining/leaving in the course of the year):

- Guido Kerkhoff (CEO): €2,443,333 (2022: €2,310,000),
- Dr. Oliver Falk: €1,155,000 (2022: €1,076,250),
- John Ganem: €1,155,000 (2022: €1,076,250),
- Bernhard Weiß: €1,020,000 (2022: €986,000).

Personal investment component: Members of the Management Board are required to invest the majority of the variable annual bonus in shares in the Company, which are subject to a lock-up period. The figures are calculated for administrative purposes assuming 50% tax on the gross bonus amount. The following applies to all members of the Management Board.

- 60% of the annual bonus (30% of the gross annual bonus)
- Four-year lock-up period

In accordance with the Market Abuse Regulation, the respective share purchases are reported and published as managers' transactions stating the volume and purchase price; all details may be viewed on the Company's website (https://www.kloeckner.com/en/investors/legal-announcements/managers-transactions.html).

Discretionary bonus: No extraordinary bonus was awarded for the reporting year (a discretionary bonus was most recently awarded in 2010). The Management Board contracts provide for the possibility of awarding such a bonus, however, with the sum total of the discretionary bonus and annual bonus capped at the above-mentioned maximum amount for the annual bonus.

Ancillary benefits: Ancillary benefits primarily include insurance premiums (accident insurance, travel/baggage insurance, liability insurance, industrial criminal law insurance, general legal expenses insurance and, for John Ganem in the USA, life insurance and disability insurance); with the exception of certain insurance policies for John Ganem in the USA, amounts for group insurance policies are not included in the remuneration tables pursuant to Section 162 of the German Stock Corporation Act. In addition, top-up payments are provided for health insurance contributions, in the USA on a voluntary basis and in Germany in the form of compulsory employer contributions (only the amounts of voluntary top-up payments for John Ganem in the USA are included in ancillary benefits, not the compulsory employer contributions for health and long-term care insurance in Germany). Ancillary benefits additionally include private use of a company car (included in remuneration at the taxable benefit-in-kind rate); Management Board member John Ganem receives a cash car allowance in place of a company car. Telecommunications devices provided to members of the Management Board may also be used privately (in line with the tax treatment, no amount for this ancillary benefit is accounted for as remuneration). Finally, the Company pays tax consultancy costs incurred by John Ganem in connection with his service for Klöckner & Co SE.

The Company has directors and officers (D&O) insurance, including insurance for members of the Management Board. This is not considered as ancillary benefits for the purposes of the 2021 Remuneration System as it is in the Company's interest. The members of the Management Board do, however, have to bear the deductible required under the German Stock Corporation Act.

Retirement provision: The members of the Management Board receive a fixed annual amount as cash compensation for retirement provision (pro rata temporis in the case of Management Board members joining/leaving in the course of the year) that they must use for private retirement provision(defined-contribution pension plan); alternatively, a member of the Management Board may wish instead to receive retirement provision in the same amount in the form of payments by the Company into a reinsured pension (such payments are generally made in advance at the beginning of the year). These amounts are as follows for each member of the Management Board.

- Guido Kerkhoff (CEO): €366,667
- Dr. Oliver Falk: €175,000
- John Ganem: US dollar equivalent of €175,000
- Bernhard Weiß: €100,000

Retirement provision for Dr. Oliver Falk and John Ganem switched over in its entirety to the above system on the entry into force of their contract extensions as of August 1, 2022. Irrespective of this, any obligations in connection with pension benefits granted and earned in the past generally continue to apply. In the case of Essener Verband benefit plans this, for example, relates to any costs necessary for benefit entitlement such as service cost or increases in accordance with the applicable articles of association.

For John Ganem, the US subsidiary also made top-up payments into a defined-contribution plan as part of local retirement provision for upper management.

The above retirement provision figures for Guido Kerkhoff take into account the salary adjustment partway through the year, effective September 1, 2023, upon his reappointment (cash compensation for Company retirement provision increased from €350,000 to €400,000 per year).

b) 2023 targets and target achievement

The targets determined for variable remuneration in the reporting year, and the amounts earned in the reporting year (2023 annual bonus) applying the performance criteria previously specified by the Supervisory Board to the figures in the 2023 annual financial statements, are set out in the following description and subsequent tables. The agreed targets relate to the figures for the entire Group before IFRS 5 adjustments. For further details, please refer to our explanations in section 2.4 of the management report.

As in past years, the Supervisory Board set targets for variable remuneration for fiscal year 2023, among other things as financial targets on the basis of Group budget figures including EBITDA before material special effects and operating cash flow, once again placing a special focus for fiscal year 2023 on EBITDA as the primary management metric for corporate performance. These financial targets account for a total notional proportion of 80%: 50% for EBITDA and 30% for operating cash flow. The achievement and implementation of non-financial targets (digitalization and automation, reduction of CO_2e emissions, leadership and employee satisfaction, and occupational safety) are factored into the bonus calculation in fiscal year 2023 at a weighting of 20%. For the reporting year, the targets and their weighting were set uniformly for all Management Board members

The individual targets are as follows (notional proportion of the total in brackets for each target):

- EBITDA before material special effects (50%); EBITDA is earnings before interest, taxes, depreciation and amortization and impairments and impairment reversals on intangible assets and property, plant and equipment; material special effects include, for example, major restructuring programs, significant non-operating effects and prior-period effects.
- Cash flow, i.e. cash flow from operating activities (operating cash flow) (30%)
- Strategy/digitalization (5%)
  - Share of digital orders (1.5%), defined as the number of orders received via digital channels as a percentage of the total number of orders ("digital orders")
  - Share of digital quotes (1.5%), defined as the number of quotes generated digitally as a percentage of the total number of quotes("digital quotes")
  - Digital sales process efficiency (2%), defined as the number of manual corrections to orders received via digital channels as a percentage of the total number of digital orders ("average number of changes to all online orders")

- Sustainability/reduction in CO_2e emissions (5%), measured as the reduction in Scope 1 and 2 emissions (in accordance with the Greenhouse Gas Protocol; the targets are based on the 1.5-degree decarbonization path in line with the Klöckner & Co Group's net zero carbon targets recognized as science-based targets by the Science Based Targets initiative [SBTi])

- Sustainability/leadership and employee satisfaction (5%), measured on the basis of the results of the annual employee survey, put to the entire workforce comprising a rating scale of 1 (not at all applicable) to 5 (fully applicable) with the following questions included in the analysis:

  (1) I am confident that Klöckner & Co SE Management Board (Guido Kerkhoff, Dr. Oliver Falk, John Ganem and Bernhard Weiß) is steering the company in the right direction.
  (2) I know the strategy "Klöckner & Co 2025: Leveraging Strengths" with its elements Customer Growth, Digitalization & Value Chain Automation, Operational Excellence and Leveraging Assets & Partner Network. And I know the meaning of that strategy for the organization I am working for.
  (3) I like working here.
  (4) I would recommend the Company as a good employer.
- Sustainability/accident rate (5%), measured by the number of lost-time injury per million hours worked in the Company (the "LTIF" rate)

Calculation of target achievement for the individual targets:

There is no cap or floor for the individual targets, so that target achievement levels of less than 0% or more than 200% are also possible. The target achievement rates for the individual targets are calculated on a linear basis using predefined targets consisting of the target value for 100% target achievement and the values for 0% and 200% target achievement.

The target corridors and their derivation for the individual targets are set out in the following.

- EBITDA before material special effects:
  - Target (100%): €293.1 million
  - 0% value: €0
  - 200% value: €586.3 million

The target value was derived from the Group budget for fiscal year 2023, increased by the expected effects of the acquisition of National Material of Mexico pro rata temporis from the closing of the transaction on August 1, 2023. The 0% value was set at €0, resulting in a 200% value of €586.3 million.

- Cash flow from operating activities (operating cash flow):
  - Target (100%): €336.5 million
  - 0% value: €0
  - 200% value: €673.1 million

The target value was derived from the Group budget for fiscal year 2023, increased by the expected effects of the acquisition of National Material of Mexico pro rata temporis from the closing of the transaction on August 1, 2023. The 0% value was set at €0, resulting in a 200% value of €673.1 million.

- Strategy/digitalization:
  – Share of digital orders:
    - Target (100%): 48.8%
    - 0% value: 45.2%
    - 200% value: 52.4%

The target value was derived from the Group planning for fiscal year 2023. The 0% value of 45.2% was based on the figure from the most recent available quarterly financial statements when the targets were set (Q3 2022); the 200% value of 52.4% was then determined arithmetically.

- Share of digital quotes:
  - Target (100%): 16.1%
  - 0% value: 5.6%
  - 200% value: 26.6%

The target value was derived from the Group planning for fiscal year 2023. The 0% value of 16.1% was based on the figure from the most recent available quarterly financial statements when the targets were set (Q3 2022); the 200% value of 26.6% was then determined arithmetically.

- Digital sales process efficiency:
  - Target (100%): 2.67
  - 0% value: 4.01
  - 200% value: 1.34

The target value was derived from the Group planning for 2023. The 200% value was set at half of the 100% target level (rounded); the 0% value of 4.01 was then determined arithmetically.

- Sustainability
  - Reduction in CO_2e emissions:
    - Target (100%): 19.0%
    - 0% value: 0%
    - 200% value: 38.0%

The target value was derived from the long-term CO_2e emission reduction roadmap. The 0% value was set at 0% as the reduction is measured as a percentage change from the emission level for the 2019 base year (91.9 kt CO_2e, in accordance with the Greenhouse Gas Protocol; the targets are based on the 1.5-degree decarbonization path in line with the Klöckner & Co Group's net zero carbon targets recognized as science-based targets by the Science Based Targets initiative [SBTi]); the 200% value of 38% was then determined arithmetically. The calculation of target achievement is based on the figures of the non-financial reporting.

- Employee satisfaction:
  - Target (100%): 4.0
  - 0% value: 3.1
  - 200% value: 4.9

The target value was derived from the rating scale as the targeted level of employee satisfaction and leadership for the Group. The 200% value was set at 4.9, since this was considered to be the maximum achievable average value with a scale of up to 5.0 and in view of the number of respondents; the 0% value of 3.1 was then determined arithmetically.

- Accident rate:
  - Target (100%): 5.9
  - 0% value: 8.85
  - 200% value: 2.95

The target value was derived from the long-term accident rate reduction roadmap. The 200% value was set at half of the 100% target level; the 0% value of 8.85 was then determined arithmetically. The calculation of target achievement is based on the figures of the non-financial reporting.

These target figures were then used to calculate the target achievement rates for the individual targets. The target achievement level for the targets EBITDA before material special effects, cash flow from operating activities (operating cash flow) and reduction in CO_2e emissions is based on the following calculation:

$$Target\ achievement\ in\ \% = \frac{Actual}{Target\ 100\%}$$

Example: EBITDA before material special effects

$$Percentage\ target\ achievement\ for\ EBITDA\ before\ material\ special\ effects =$$

$$\frac{€187.3\ million}{€293.1\ million} = 63.9\%$$

The target achievement level for the targets share of digital orders, share of digital quotes, digital sales process efficiency, employee satisfaction and accident rate is based on the following calculation:

$$Target\ achievement\ in\ \% = 1 - \frac{(Actual - Target\ 100\%)}{(Target\ 0\% - Target\ 100\%)}$$

Example: Share of digital orders

$$Target\ achievement\ in\ \% = 1 - \frac{(48.7 - 48.8)}{(45.2 - 48.8)} = 96.9\%$$

Calculation of total target achievement:

The agreed targets relate to the figures for the entire Group before IFRS 5 adjustments. Total target achievement is then calculated as the sum total of the individual target achievement levels weighted by their respective notional proportion of the total. The maximum total bonus achievable for 2023 (cap) is 200% of the individual target bonus. The floor is 0%.

In table form, the targets and their weightings for the reporting year are as follows:

Target indicator	Target[1)]			Notional proportion
Target achievement	0%	100%	200%	
Financial targets				
EBITDA before special effects	€0 million	€293.1 million	€586.3 million	50%
Operating cash flow	€0 million	€336.5 million	€673.1 million	30%
Non-financial targets				
Digitalization: Share of digital orders in percent	45.2%	48.8%	52.4%	1.5%
Digitalization: Share of digital quotes in percent	5.6%	16.1%	26.6%	1.5%
Digitalization: Sales process efficiency	4.01	2.67	1.34	2.0%
Reduction of CO_2e emissions	0.0%	– 19.0%	– 38.0%	5.0%
Employee satisfaction/Leadership	3.1	4.0	4.9	5.0%
Occupational safety: Lost-time accidents (LTIF rate group)	8.85	5.90	2.95	5.0%

1) The agreed targets relate to the figures for the entire Group before IFRS 5 adjustments.

The resulting target achievement was as follows for the targets in fiscal year 2023:

Criterion and target	Proportional target achievement[1)]				
(€ thousand)	Target[1)]	Relative proportion	Actual figure	Target achievement	Notional proportion
Financial targets					
EBITDA before special effects	293,131	50.0%	187,265	63.9%	31.9%
Operating cash flow	336,530	30.0%	321,566	95.6%	28.7%
Non-financial targets					
Digitalization: Share of digital orders in percent	48.8%	1.5%	48.7%	96.9%	1.5%
Digitalization: Share of digital quotes in percent	16.1%	1.5%	24.1%	175.9%	2.6%
Digitalization: Sales process efficiency	2.67	2.0%	2.34	124.9%	2.5%
Reduction of CO_2e emissions	– 19.0%	5.0%	– 52.0%	273.5%	13.7%
Employee satisfaction/Leadership	4.0	5.0%	3.98	98.1%	4.9%
Occupational safety: Lost-time accidents (LTIF rate group)	5.9	5.0%	5.7	106.8%	5.3%
Total					**91.1%**
Cap					-

1) The target achievement relates to the figures for the entire Group before IFRS 5 adjustments.

(€ thousand)	Target bonus	Target achievement	Earned bonus
Guido Kerkhoff, CEO	1,460	91.1%	1,330
Dr. Oliver Falk, CFO	690	91.1%	629
John Ganem, CEO Americas[1)]	690	91.1%	629
Bernhard Weiß, CEO Europe (until September 30, 2023)	450	91.1%	410

1) For John Ganem, the contractually agreed euro amount was used for the calculation for the reporting year assuming the exchange rate available on February 13, 2024. The actual amount of variable remuneration may increase due to the contractually agreed stable-value clause to compensate for exchange rate movements. The actual payment amount is based on the exchange rate available on the payroll closing date; in the event of any deviation from the amounts stated above due to exchange rates, the amounts paid out will be published in the Remuneration Report for the next fiscal year.

c) Remuneration granted and due in 2023 under Section 162 (1) sentence 2 no. 1 of the German Stock Corporation Act (including relative proportions)

The table below shows the remuneration granted and due – within the meaning of Section 162 (1) sentence 2 no. 1 of the German Stock Corporation Act – to each of the Management Board members in office in the reporting year for Management Board service, including all fixed and variable remuneration components and their relative proportions.

The figures comprise fixed remuneration (fixed salary, ancillary benefits and cash compensation for retirement provision; in the case of John Ganem plus defined-contribution plan top-up payments by the US subsidiary) earned and paid out in the reporting year, together with variable remuneration components earned in the reporting year, irrespective of whether the latter fall due and are paid out in the fiscal year 2024 now in progress (earned remuneration-based interpretation).

Any severance payments are not stated in the following as they are not directly earned through Management Board service; disclosures on any termination related benefits granted and awarded to a member of the Management Board leaving in the course of the reporting year are provided under o).

With regard to items included in the amounts shown for ancillary benefits and retirement benefits, please see the information provided under heading a) above. Accordingly, amounts for group insurance policies are not included (with the exception of certain insurance policies for John Ganem in the USA); the same applies for paid compulsory employer contributions for health and long-term care insurance in Germany. Payments in connection with defined-contribution plans in the USA are accounted for as retirement contributions, while Section 162 of the German Stock Corporation Act does not require the disclosure of expenses for defined-contribution plans (for comparability purposes, we nevertheless additionally include any such amounts at the bottom of the table, although this information is provided with respect to fiscal year 2022 for the last time due to the changeover in retirement provision; further information in this regard is provided under n)).

MANAGEMENT BOARD REMUNERATION GRANTED AND DUE IN 2023 UNDER SECTION 162 OF THE STOCK CORPORATION ACT1)

	Guido Kerkhoff, CEO				Dr. Oliver Falk, CFO			
	2022		2023		2022		2023	
(€ thousand)	Amount	Relative proportion	Amount	Relative proportion	Amount	Relative proportion	Amount	Relative proportion
Non-performance-related remuneration components								
Fixed salary	930	29%	983	37%	439	30%	465	36%
Retirement contributions/payments; cash compensation for retirement provision[4)]	350	11%	367	14%	102	7%	175	14%
Ancillary benefits	13	0%	13	0%	13	1%	9	1%
Total non-performance-related remuneration components	1,293	40%	1,363	51%	554	38%	649	51%
Performance-related remuneration components								
One-year variable remuneration (annual bonus)[2) 3)]	1,966	60%	1,330	49%	908	62%	629	49%
Total remuneration within the meaning of Section 162 of the German Stock Corporation Act	3,259	100%	2,693	100%	1,462	100%	1,278	100%
Expense for defined-benefit pension plans in accordance with IFRS[5)]	-		-		63		-	

(€ thousand)	John Ganem, CEO Americas[6)7)]				Bernhard Weiß, CEO Europe (until September 30, 2023)[8)]			
	2022		2023		2022		2023	
	Amount	Relative proportion	Amount	Relative proportion	Amount	Relative proportion	Amount	Relative proportion
Non-performance-related remuneration components								
Fixed salary	439	30%	465	35%	406	30%	315	39%
Retirement contributions/payments; cash compensation for retirement provision[4)]	87	6%	183	14%	97	7%	75	9%
Ancillary benefits	46	3%	46	3%	9	1%	6	1%
Total non-performance-related remuneration components	572	39%	695	52%	512	38%	396	49%
Performance-related remuneration components								
One-year variable remuneration (annual bonus)[2) 3) 4)]	908	61%	629	48%	826	62%	410	51%
Total remuneration within the meaning of Section 162 of the German Stock Corporation Act	**1,480**	**100%**	**1,324**	**100%**	**1,338**	**100%**	**806**	**100%**
Expense for defined-benefit pension plans in accordance with IFRS[5)]	-		-		-		-	

1) Remuneration earned for Management Board service in the reporting year excluding variable remuneration paid in the reporting year but earned in the previous fiscal year for the previous fiscal year; no remuneration is paid for offices held within the Group. Any severance payments and benefits granted or awarded in the reporting year in relation to early termination of Management Board service are not listed; for those see o) below.

2) Variable remuneration is subject to an obligation that it be used in part to purchase shares in the Company as a long-term remuneration component (see f) below).

3) For John Ganem, the contractually agreed euro amount was used for the calculation for the reporting year assuming the exchange rate available on February 13, 2024. The actual amount of variable remuneration may increase due to the contractually agreed stable-value clause to compensate for exchange rate movements. The actual payment amount is based on the exchange rate available on the payroll closing date; in the event of any deviation from the amounts stated above due to exchange rates, the amounts paid out will be published in the Remuneration Report for the next fiscal year.

4) Retirement provision for Dr. Oliver Falk and John Ganem was switched in its entirety to a defined-contribution plan in connection with the contract extension that entered into effect in fiscal year 2022.

5) Disclosure of the expense for defined-benefit plans made for comparability purposes (not a disclosure in accordance with Section 162 of the German Stock Corporation Act); for further information, see n) below).

6) In addition to his contract as member of the Management Board of Klöckner & Co SE, John Ganem also has a contract as CEO of the US country organization; an offsetting arrangement applies, as a result of which the presentation is uniform.

7) The differences in the figures relative to the Remuneration Report 2022 result from a change in the exchange rate during the reporting year between preparation of the Remuneration Report 2022 and payment of the annual bonus: At the time of preparation of the Remuneration Report 2022, it was assumed on the basis of the then applicable exchange rate that the stable-value clause would apply. On the payroll closing date, the exchange rate was above the contractually agreed threshold and the contractually agreed stable-value clause therefore did not apply – contrary to the information provided in the Remuneration Report 2022 (see also the corresponding footnote in the Remuneration Report 2022).

8) The remuneration earned shown for Bernhard Weiß for fiscal year 2023 relates exclusively to remuneration for Management Board service rendered up to September 30, 2023; the benefits agreed with Bernhard Weiß related to his departure are therefore not included in the table (however, see under o) below).

d) Remuneration in 2023 on the basis of prior Code tables (benefits granted and benefits received)

For better comparability with past figures, remuneration for the members of the Management Board in office in the reporting year is shown voluntarily in the following based on the model tables relating to section 4.2.5(3) of the Code as of February 7, 2017.

Granted compensation	Guido Kerkhoff, CEO				Dr. Oliver Falk, CFO			
(€ thousand)	2022	2023	2023 (Min.)	2023 (Max.)	2022	2023	2023 (Min.)	2023 (Max.)
Fixed compensation	930	983	983	983	439	465	465	465
Ancillary benefits[1)]	363	380	380	380	116	184	184	184
Total	**1,293**	**1,363**	**1,363**	**1,363**	**555**	**649**	**649**	**649**
One year's variable compensation	1,380	1,460	-	2,920	638	690	-	1,380
Multi-year variable compensation[2)]	-	-	-	-	-	-	-	-
Total	**2,673**	**2,823**	**1,363**	**4,283**	**1,193**	**1,339**	**649**	**2,029**
Postemployment benefits	-	-	-	-	63	-	-	-
Total compensation	**2,673**	**2,823**	**1,363**	**4,283**	**1,256**	**1,339**	**649**	**2,029**

Granted compensation	John Ganem, CEO Americas[4)]				Bernhard Weiß, CEO Europe (until September 30, 2023)			
(€ thousand)	2022	2023	2023 (Min.)	2023 (Max.)	2022	2023	2023 (Min.)	2023 (Max.)
Fixed compensation	439	465	465	465	406	315	315	315
Ancillary benefits[1)]	135	231	231	231	105	81	81	81
Total	**574**	**696**	**696**	**696**	**511**	**396**	**396**	**396**
One year's variable compensation[3)]	638	690	-	1,380	580	450	-	900
Multi-year variable compensation[2)]	-	-	-	-	-	-	-	-
Total	**1,212**	**1,386**	**696**	**2,076**	**1,091**	**846**	**396**	**1,296**
Postemployment benefits	-	-	-	-	-	-	-	-
Total compensation	**1,212**	**1,386**	**696**	**2,076**	**1,091**	**846**	**396**	**1,296**

1) Including amounts for the reporting year paid in lieu of corporate pension benefits which must be invested in a private post-retirement scheme: Guido Kerkhoff €367 thousand (2022: €350 thousand), Dr. Oliver Falk €175 thousand (2022: €102 thousand), John Ganem €175 thousand (2021: €73 thousand), Bernhard Weiß €75 thousand (2022: €97 thousand).

2) The members of the Management Board in office in the reporting year did not participate in the stock option program for the Management Board in place until the end of 2015. However, Dr. Oliver Falk and Bernhard Weiß still hold virtual stock options from their service as CEOs of country organizations within the Klöckner & Co Group.

3) For John Ganem, the contractually agreed euro amount was used for the calculation for the reporting year assuming the exchange rate available on February 13, 2024. The actual amount of variable remuneration may increase due to the contractually agreed stable-value clause to compensate for exchange rate movements. The actual payment amount is based on the exchange rate available on the payroll closing date; in the event of any deviation from the amounts stated above due to exchange rates, the amounts paid out will be published in the Remuneration Report for the next fiscal year

4) The differences in the figures relative to the Remuneration Report 2022 result from a change in the exchange rate during the reporting year between preparation of the Remuneration Report 2022 and payment of the annual bonus: At the time of preparation of the Remuneration Report 2022, it was assumed on the basis of the then applicable exchange rate that the stable-value clause would apply. On the payroll closing date, the exchange rate was above the contractually agreed threshold and the contractually agreed stable-value clause therefore did not apply – contrary to the information provided in the Remuneration Report 2022 (see also the corresponding footnote in the Remuneration Report 2022).

Proceeds (€ thousand)	Guido Kerkhoff, CEO 2022	Guido Kerkhoff, CEO 2023	Dr. Oliver Falk, CFO 2022	Dr. Oliver Falk, CFO 2023
Fixed compensation	930	983	439	465
Ancillary benefits[1)]	363	380	116	184
Total	**1,293**	**1,363**	**555**	**649**
One year's variable compensation	1,966	1,330	908	629
Multi-year variable compensation[2)]	-	-	-	-
Total	**3,259**	**2,693**	**1,463**	**1,278**
Postemployment benefit	-	-	63	-
Total compensation	**3,259**	**2,693**	**1,526**	**1,278**

Proceeds (€ thousand)	John Ganem, CEO Americas[4)] 2022	John Ganem, CEO Americas[4)] 2023	Bernhard Weiß, CEO Europe (until September 30, 2023) 2022	Bernhard Weiß, CEO Europe (until September 30, 2023) 2023
Fixed compensation	439	465	406	315
Ancillary benefits[1)]	135	231	105	81
Total	**574**	**695**	**511**	**397**
One year's variable compensation[3)]	908	629	826	410
Multi-year variable compensation[2)]	-	-	-	-
Total	**1,482**	**1,324**	**1,337**	**807**
Postemployment benefit	-	-	-	-
Total compensation	**1,482**	**1,324**	**1,337**	**807**

1) Including amounts for the reporting year paid in lieu of corporate pension benefits which must be invested in a private post-retirement scheme: Guido Kerkhoff €367 thousand (2022: €350 thousand), Dr. Oliver Falk €175 thousand (2022: €102 thousand), John Ganem €175 thousand (2022: €73 thousand), Bernhard Weiß €100 thousand (2022: €97 thousand).

2) The members of the Management Board in office in the reporting year did not participate in the stock option program for the Management Board in place until the end of 2015. However, Dr. Oliver Falk and Bernhard Weiß still hold virtual stock options from their service as CEOs of country organizations within the Klöckner & Co Group; benefits received in this regard do not constitute Management Board remuneration and are not included in the table.

3) For John Ganem, the contractually agreed euro amount was used for the calculation for the reporting year assuming the exchange rate available on February 13, 2024. The actual amount of variable remuneration may increase due to the contractually agreed stable-value clause to compensate for exchange rate movements. The actual payment amount is based on the exchange rate available on the payroll closing date; in the event of any deviation from the amounts stated above due to exchange rates, the amounts paid out will be published in the Remuneration Report for the next fiscal year.

4) The differences in the figures relative to the Remuneration Report 2022 result from a change in the exchange rate during the reporting year between preparation of the Remuneration Report 2022 and payment of the annual bonus: At the time of preparation of the Remuneration Report 2022, it was assumed on the basis of the then applicable exchange rate that the stable-value clause would apply. On the payroll closing date, the exchange rate was above the contractually agreed threshold and the contractually agreed stable-value clause therefore did not apply – contrary to the information provided in the Remuneration Report 2022 (see also the corresponding footnote in the Remuneration Report 2022.

e) Fixed and variable remuneration including relative proportions and explanatory notes on conformity with the applicable remuneration system

Proportions of total remuneration

The relative proportions accounted for by each remuneration component are shown in the table under heading c) above.

Conformity with the applicable remuneration system

The remuneration is in conformity with the applicable remuneration system. In particular, the requirements of the 2021 Remuneration System were complied with as regards the ratio of fixed and variable remuneration to the target amount for direct remuneration (40:60, excluding ancillary benefits and retirement provision), as are the requirements on the ratios of the retirement provision and ancillary benefit amounts to the fixed salary (retirement provision: 20% to 40%; ancillary benefits: 10% maximum); no remuneration has been granted that is not covered by the applicable remuneration system (see also the table under k).

f) Promotion of the Company's long-term development

In the nature of an LTI component, the requirement for a majority of variable remuneration to be invested in shares in the Company with a specified lock-up period ties the value of benefits received by the members of the Management Board to the share price and, because of the multi-year lock-up period, to the long-term development of the Company. This aligns Management Board performance goals more closely with shareholder interests. The amounts and percentages for the required personal investment in shares for the reporting year are shown in the table below:

PERSONAL INVESTMENT 2023[1)]

(€ thousand)	Guido Kerkhoff, CEO	Dr. Oliver Falk, CFO	John Ganem, CEO Americas	Bernhard Weiß, CEO Europe (until 30.09.2023)
Performance-related remuneration, gross	1,330	629	629	410
Personal investment amount	399	189	189	123
Personal investment amount, gross[2)]	797	377	377	246
Personal investment percentage, gross[2)]	60%	60%	60%	60%

1) On the basis of remuneration granted and due in 2023 under Section 162 of the German Stock Corporation Act (see c) above).
2) Gross amount of personal investment calculated assuming notional 50% tax and social insurance burden.

The targets governing the amount of variable remuneration are also based on long-term strategic developments (such as growth and milestones in digitalization and under the multi-year strategy) and also include sustainability targets (for the targets for the reporting year, see b) above). As a result, remuneration is geared in several respects to promotion of the Company's long-term development.

g) Comparative analysis of annual changes in Management Board remuneration, the Company's financial performance and average employee remuneration

The table below shows the percentage change in the remuneration of members of the Management Board in comparison to the financial performance of Klöckner & Co SE and changes in average employee remuneration on a full-time equivalent basis.

The financial performance of Klöckner & Co SE is presented on the basis of the following key performance indicators (KPIs): (i) net income (or net loss) of Klöckner & Co SE, (ii) Group EBITDA before material special effects and (iii) Group cash flow from operating activities. The latter two KPIs are also major determinants of variable remuneration for the Management Board.

Average employee remuneration is determined on a full-time equivalent basis for two groups: (i) senior management worldwide (management level 1, meaning CEOs and CFOs of country organizations and heads of corporate departments at Klöckner & Co SE) and (ii) the total workforce worldwide.

COMPARATIVE ANALYSIS OF ANNUAL CHANGES IN MANAGEMENT BOARD REMUNERATION PURSUANT TO SECTION 162 (1) NO. 2 OF THE STOCK CORPORATION ACT

Management Board Compensation[1]	2018–2019	2019–2020	2020–2021	2021–2022	2022–2023
Current members of the Management Board					
Guido Kerkhoff[2]	-	-	387%	– 13%	– 17%
Dr. Oliver Falk	-	143%	41%	– 13%	– 13%
John Ganem	-	147%	40%	– 11%	– 11%
Bernhard Weiß[3]	-	-	-	65%	17%
Former members of the Management Board					
Gisbert Rühl[4]	26%	8%	8%	– 81%	0%
Bill Partalis[6]	0%	0%	0%	0%	0%
Financial performance					
Net income Klöckner & Co SE	– 613%	94%	3233%	– 61%	– 283%
EBITDA before material special effects (Group)	– 46%	– 10%	664%	– 51%	– 55%
Cash flow from operating activities (Group)	240%	– 21%	– 290%	232%	– 21%
Average employee remuneration on full-time equivalent basis					
Senior management worldwide (Level 1)[5, 6]	– 18%	15%	– 2%	– 5%	1%
Total workforce worldwide[6]	4%	3%	10%	– 4%	– 2%

1) Total remuneration within the meaning of Section 162 (1) sentence 1 of the German Stock Corporation Act (fiscal years 2018 to 2020 pro forma).
2) Guido Kerkhoff was appointed to the Management Board as of September 1, 2020; the total remuneration for 2020 relates to the period subsequent to his appointment.
3) Bernhard Weiß was appointed to the Management Board as of June 1, 2021; the total remuneration for 2021 used as a basis therefore relates solely to the period subsequent to his appointment. He left the Management Board as of September 30, 2023; the remuneration for fiscal year 2023 used as a basis consists of both the remuneration for service up to his departure and the benefits in connection with the early termination of his Management Board service (see also under o)).
4) Gisbert Rühl left the Management Board as of May 12, 2021; the remuneration for fiscal year 2021 used as a basis consists of Management Board remuneration up to his departure, the benefits in connection with the early termination of his Management Board service (see the relevant information in the Remuneration Report 2021) and the pension paid after his departure in fiscal year 2021. To this extent, the method of calculation differs from that used in the Remuneration Reports 2021 and 2022. In the Remuneration Report 2021, the calculation solely included the Management Board remuneration for fiscal year 2021 until his departure; in the Remuneration Report 2022, it included the Management Board remuneration until his departure and the pension paid after his departure in fiscal year 2021.
5) The comparison group comprises the management of country organizations and heads of corporate departments at Klöckner & Co SE.
6) Adjusted for exchange rate movements.

h) Shares and stock options granted or awarded

No shares or stock options were granted or awarded to members of the Management Board in the reporting year. However, the Management Board members in office are required – in the nature of a long-term incentive (LTI) remuneration component – to invest the majority of the variable remuneration for the reporting year in shares in the Company (“personal investment” – see under heading f) above).

The former virtual stock option (VSO) program for members of the Management Board was discontinued at the end of 2015. No more VAOs were in existence in the reporting year. For further details on the VSO program, please see the Annual Report of the Company for fiscal year 2015. The Management Board members in office during the reporting year did not participate in the above-mentioned VSO program for members of the Management Board. Any VSOs from prior non-Management Board service and any payments based on such VSOs are not considered remuneration for Management Board service and are therefore not included in this report.

i) Clawback of variable remuneration components

No clawback of variable remuneration components took place in the reporting year.

j) Maximum remuneration

The maximum remuneration specified in the 2021 Remuneration System, defined in the 2021 Remuneration System as an absolute euro figure for the maximum amount of remuneration granted to a Management Board member in a given fiscal year, was complied with in the reporting year (the maximum remuneration amounts to €6.4 million for the CEO and €2.2 million for an ordinary member of the Management Board). Reference is made in this regard to the table under heading k). This also shows the ratios of retirement provision and ancillary benefits to the fixed salary, as described under heading e).

k) Deviations from the 2021 remuneration system

To the extent that the 2021 Remuneration System applied, no deviations from it arose in the reporting year. With regard to the requirements on maximum remuneration (see j) above) and on the ratio of retirement and ancillary benefits to the fixed salary (see e) above), this is additionally evident from the table below:

REQUIREMENTS UNDER THE 2021 REMUNERATION SYSTEM[1)]

(€ thousand)	Guido Kerkhoff, CEO[2)]	Dr. Oliver Falk, CFO	John Ganem, CEO Americas	Bernhard Weiß, CEO Europe (until September 30, 2023)[3)]
Maximum remuneration				
Maximum remuneration under the remuneration system 2021	6,400	2,200	2,200	1,650
Total remuneration 2023	2,694	1,278	1,324	807
Ratio of non-performance-related remuneration components of target amount for direct remuneration in 2023[5)]				
Ratio of ancillary benefits to fixed salary (stipulated: max. 10%)	1.34%	1.91%	9.94%	2.06%
Ratio of retirement benefits to fixed salary (stipulated: 20-40%)[4)]	37.29%	37.63%	39.46%	23.81%

1) In the reporting year, the requirements under the 2021 Remuneration System applied in full to Dr. Oliver Falk and John Ganem and pro rata temporis to Guido Kerkhoff (from September 1, 2023) and Bernhard Weiß (until September 30, 2023).

2) 2021 Remuneration System applicable to Guido Kerkhoff only pro rata temporis; voluntary full-year disclosure.

3) Maximum remuneration for Bernhard Weiß calculated pro rata temporis up to September 30, 2023 (full-year maximum remuneration for an ordinary member of the Management Board: €2,200,000); the total remuneration for 2023 relates to remuneration earned up to September 30, 2023 (i.e., excluding severance benefits).

4) Under the requirements of the remuneration system, retirement provision for Guido Kerkhoff, Dr. Oliver Falk, John Ganem and Bernhard Weiß in the reporting year consists exclusively of a defined-contribution plan (cash compensation tied to the purpose of servicing retirement provision; in the case of John Ganem plus defined-contribution plan top-up payments by the US subsidiary).

5) The underlying figures are to be found in the table "Remuneration granted and due under Section 162 (1) sentence 2 no. 1 of the German Stock Corporation Act".

No use was made in the reporting year of the authorization for temporary deviations provided in the 2021 Remuneration System.

l) Third-party benefits; intra-Group offices

No member of the Management Board was granted or awarded benefits by a third party in the reporting year for service on the Management Board. The members of the Management Board were not granted any additional remuneration for any offices held within the Klöckner & Co Group (see under heading c) above).

m) Benefits in the event of early termination of Management Board service

Management Board contracts provide for compensation in the event of early termination other than for cause. This compensation depends on the remaining term of the contract, but is capped at two years' annual remuneration (severance payment cap). The existing contracts do not provide for a special right of termination in the event that a specific control threshold is exceeded in relation to voting rights in the Company (change-of-control clause).

Management Board members are subject to a 24-month post-contractual non-competition covenant compensated for by payment of half of their most recent total remuneration (fixed salary plus bonus at 100% target achievement) p.a. unless the Company waives the clause. The Management Board contracts already provide for any severance payment to be deducted from such amounts. The personal investment requirement is waived in this instance.

No changes to these arrangements were made in the reporting year.

n) Benefits in the event of regular termination of Management Board service (retirement provisions)

To the extent that retirement provision for individual members of the Management Board in office in the reporting year comprises benefits subsequent to regular termination of Management Board service, their present value and the Company's expense in this regard during the reporting year (service cost in accordance with IFRS) are presented in the table below.

As described under a) above, in accordance with their contracts, the members of the Management Board in office currently solely receive (and received in the reporting year) amounts for private retirement provision (cash compensation for retirement provision). Benefits in the event of regular termination of Management Board service are not/no longer provided. The contracts with Management Board members Dr. Oliver Falk and John Ganem switched to the purely defined-contribution retirement provision system with cash compensation effective August 1, 2022 (in the case of John Ganem plus defined-contribution plan top-up payments by the US subsidiary as part of local retirement provision).

PENSION COMMITMENTS FOR MANAGEMENT BOARD MEMBERS IN OFFICE IN THE REPORTING YEAR – PRESENT VALUES AND EXPENSE AMOUNTS[1)]

(in €)	Reporting date	Present value[2)]	Service cost 2023[2)]
Dr. Oliver Falk	December 31, 2023	4,622,226	-
John Ganem	December 31, 2023	2,167,033	-

1) No change in pension commitments in the reporting year; retirement provision for Dr. Oliver Falk and John Ganem was switched in its entirety as of August 1, 2022 to a defined-contribution plan.
2) IFRS amount.

The “old” pension commitments for member of the Management Board Dr. Oliver Falk from the time before the changeover in retirement provision consist of a defined-benefit pension plan in accordance with the rules of the Essener Verband. Management Board member John Ganem had a comparable defined-benefit pension plan commensurate with the arrangements applicable to him at the US subsidiary prior to his appointment to the Management Board, which likewise include a life-long pension. In view of the changeover in retirement provision in fiscal year 2022, no service cost was incurred in the reporting year. Irrespective of this, any obligations in connection with pension benefits granted and earned in the past generally continue to apply. In the case of Essener Verband benefit plans this, for example, relates to any costs necessary for benefit entitlement such as service cost or increases in accordance with the applicable articles of association.

o) Benefits and payments related to the termination of Management Board service in the reporting year (relates exclusively to Bernhard Weiß)

Management Board member and CEO Europe Bernhard Weiß left effective September 30, 2023 by mutually agreed termination of his contract, which originally ran to May 31, 2024. It was agreed that the Company would make payments as follows:

The fixed salary was paid in the regular amount pro rata temporis. The same applies to the retirement provision. The pro-rata bonus for the period up to the departure of Bernhard Weiß is, in accordance with his contract, calculated and paid in the regular manner on the basis of target achievement and is presented accordingly as variable remuneration for the reporting year (see under c) above); the related personal investment obligation likewise remains in place.

For the remaining term of his contract (i.e., for the period from October 1, 2023 to May 31, 2024), Bernhard Weiß received a severance payment in a total amount of €746,666.67. This was based on the contractual amounts for fixed salary, retirement provision and annual bonus until the regular end of the contract on May 31, 2024. The annual bonus is based on the target bonus, i.e., 100% target achievement, and there is no personal investment obligation. With regard to retirement provision, Bernhard Weiß had opted for payment into a reinsured pension fund; the Company had therefore already paid the total amount for the reporting year at the beginning of the year. The severance pay entitlement was therefore offset with and reduced by the amount of the retirement provision for the period from October 1, 2023 to December 31, 2023. The remaining portion of the severance payment was paid out on January 31, 2024. In addition, Bernhard Weiß is allowed to continue using his company car until December 31, 2024 (a benefit-in-kind in the total amount of €7,035.00).

FORMER MEMBERS OF THE MANAGEMENT BOARD

Remuneration granted and due to former members of the Management Board (other than those who left office prior to January 1, 2014) for the reporting year pursuant to Section 162 of the German Stock Corporation Act is shown in the table below.

REMUNERATION FOR FORMER MEMBERS OF THE MANAGEMENT BOARD GRANTED AND DUE IN FISCAL YEAR 2023 UNDER SECTION 162 OF THE STOCK CORPORATION ACT

	Bill Partalis, CEO Americas (until December 31, 2017)		Gisbert Rühl, CEO (until May 12, 2021)		Bernhard Weiss (bis 30. September 2023)	
(€ thousand)	Amount	Relative Proportion	Amount	Relative Proportion	Amount	Relative Proportion
Retirement benefits / pensions	103	100%	610	100%	-	0%
Severance payments	-	-	-	-	754	100%

In the reporting year, total compensation of €137 thousand was paid to other former members of the Management Board (2022: €137 thousand). Provision for pension obligations to former members of the Management Board and their surviving dependents amount under IFRS to €21,377 thousand (2022: €20,001 thousand).

Changes in the Management Board remuneration in the reporting year

Guido Kerkhoff's appointment as Chief Executive Officer and his contract were extended by a further three years effective September 1, 2023. His remuneration was also adjusted in conjunction with the extension.

In light of the increased importance of the Kloeckner Metals Americas segment and in particular the acquisitions made there, the Supervisory Board carried out a detailed horizontal review of John Ganem's current remuneration. The focus was placed on the US market and on companies comparable to Klöckner in North America, as John Ganem is based exclusively in the USA. On the basis of this analysis, the Supervisory Board decided to increase the remuneration for John Ganem from 2024 (subject to approval of the adjusted remuneration system by the Annual General Meeting – see below).

The envisaged increase in John Ganem's remuneration requires an adjustment of the current maximum remuneration amounts in the 2021 remuneration system. However, as explained under j), the maximum remuneration is not the level of remuneration targeted by the Supervisory Board; it merely constitutes the absolute upper limit of the total annual remuneration achievable under the remuneration system. The Supervisory Board intends to, after a detailed discussion at the Supervisory Board meeting in March 2024, submit the adjusted Management Board remuneration system to the 2024 Annual General Meeting for approval .

The above-mentioned adjustment/increase in Management Board remuneration was decided following and on the basis of an appropriateness test applied by the Supervisory Board. As well as responsibilities, performance and the increased length of service, this also took into account predecessors' remuneration and both horizontal and vertical benchmarking.

Target setting for 2024

ASSESSMENT OF APPROPRIATENESS

Criteria with respect to the appropriateness of Management Board remuneration include an individual Management Board member's responsibilities and performance, the enterprise's business situation, success and future prospects, the extent to which the remuneration matches that of industry peers and the remuneration structure within the Company. Both positive and negative developments are taken into account when determining performance-related remuneration components. Overall, remuneration is intended to be internationally competitive and to give incentives geared to the Company's sustainable growth and a sustained increase in enterprise value in a dynamic environment.

In setting the 2021 Remuneration System and the targets and target total remuneration for 2024, the Supervisory Board applied horizontal benchmarking based partly on an independently compiled study of remuneration paid to regular management board members and CEOs at other companies. Due to a lack of comparable German companies in the steel distribution industry, other wholesalers and comparable international companies were included in the analysis. The peer group used consisted of German SDAX®-listed (at the time of peer group selection) companies of comparable size (sales and workforce), the SDAX® average and international peer companies. The SDAX® peer group and the international peer group are regularly reviewed by the Supervisory Board and the SDAX® peer group was revised in September 2023 for the first time since the introduction of the 2021 Remuneration System. The appropriateness test was carried out already using the revised peer group. In addition, vertical benchmarking was carried out against the remuneration for senior management (management level 1) and the Group workforce as a whole (in both cases worldwide).

The Supervisory Board, through the Presidium, regularly reviews the currently applied remuneration system with regard to its appropriateness and structure (components and fixed and variable remuneration amounts) and with a view to any need for adjustment. The appropriateness of Management Board remuneration relative to each Management Board member's tasks and performance, to the enterprise's situation and to usual levels of remuneration is additionally reviewed annually when setting target total remuneration for the next year.

TARGETS FOR FISCAL YEAR 2023

The Supervisory Board set the targets for fiscal year 2024 at its December meeting in the reporting year. In conformity with the 2021 Remuneration System, it set and weighted both financial and non-financial targets. Upon the closing of the planned sale of the distribution business in France, the Netherlands, Belgium and the United Kingdom, the targets are to be adjusted on the basis of targets which were set likewise in December 2023 by the Supervisory Board and comprise adjustments to take account the expected effects of a sale (pro rata temporis from the closing of the transaction in fiscal year 2024).

a) Financial targets

The financial targets relate to EBITDA before material special effects and operating cash flow and are based on the Group budget. As in the prior year, EBITDA before material special effects has a notional proportion of 50% and operating cash flow a notional proportion of 30%.

b) Non-financial targets

As in the prior year, the Supervisory Board based the non-financial targets on three focal areas:

For the strategy component, the focus is once again placed on digitalization. The targets set here – each with a notional proportion of 1.5% – are the share of digital orders to be generated ("digital orders," defined as the number of orders received via digital channels as a percentage of the total number of orders) and the share of digital quotes to customers ("digital quotes," defined as the number of quotes generated digitally as a percentage of the total number of quotes). To these is added, with a notional proportion of 2%, the efficiency of the digital sales process ("average number of changes to all online orders", defined as the number of manual corrections to orders received via digital channels as a percentage of the total number of digital orders). As in the prior year, two further focal areas relate to the sustainability aspect – environmental, social and governance (ESG) – and have been incorporated as non-financial targets: reduction in CO_2e emissions – which comes under the environmental category but is also part of the Group strategy – and employee-related targets. Likewise as in the prior year, the targets for this purpose are as follows, with a notional proportion of 5% each: Reduction in CO_2e emissions, employee satisfaction/leadership as measured in the Group-wide employee survey and further reduction in the lost time injury frequency (LTIF) rate throughout the Group. These non-financial targets are specified with clear and measurable criteria.

The total weighting of the non-financial targets is therefore 20%, which is within the range specified in the remuneration system.

TARGET AMOUNT FOR DIRECT REMUNERATION AND TARGET TOTAL REMUNERATION FOR FISCAL YEAR 2024

Also at its December meeting in the reporting year, the Supervisory Board set the target amount for direct remuneration and target total remuneration for fiscal year 2024, as set out in the following. The Supervisory Board based the figures for retirement provision and ancillary benefits on reasonable estimates; the final figures for fiscal year 2024 may therefore differ from those estimates. The target remuneration for John Ganem is subject to the condition that the increase in remuneration (fixed salary, annual bonus and retirement provision) decided by the Supervisory Board and agreed with John Ganem in December 2023 will only enter into effect as of January 1, 2024 if the 2024 Annual General Meeting approves a revised remuneration system for the Management Board with a corresponding adjustment to the maximum remuneration. Because of this, two target remuneration figures are shown for John Ganem for fiscal year 2024 on the basis of whether or not the above-mentioned remuneration increase enters into effect.

MANAGEMENT BOARD TARGET REMUNERATION FOR FISCAL YEAR 2023[1)]

	Guido Kerkhoff		Dr. Oliver Falk	
(€ thousand)	2023	2024	2023	2024
Fixed compensation[2)]	983	1,090	465	465
One year's variable compensation (annual bonus)[2)]	1,460	1,620	690	690
Target amount for direct remuneration	**2,443**	**2,710**	**1,155**	**1,155**
Ancillary benefits	13	16	9	9
Retirement provisions (pension benefits, cash compensation, and other contribution payments)[2)]	367	400	175	175
Target total remuneration	**2,823**	**3,126**	**1,339**	**1,339**

	John Ganem		
(€ thousand)	2023	2024 (current)[3)]	2024 (new)[3)]
Fixed compensation[2)]	465	465	698
One year's variable compensation (annual bonus)[2)]	690	690	1,035
Target amount for direct remuneration	**1,155**	**1,155**	**1,733**
Ancillary benefits	47	47	47
Retirement provisions (pension benefits, cash compensation, and other contribution payments)[2)]	175	184	272
Target total remuneration	**1,377**	**1,386**	**2,052**

1) The forecast target remuneration was prepared in each case in November of the prior year; it includes rounding and is partly based on assumptions and estimates; the final figures for each fiscal year may consequently differ.

2) The figures stated include any remuneration adjustments in subsequent fiscal years already decided at the time of setting the respective target remuneration. For Guido Kerkhoff, the amounts for 2023 already include the remuneration adjustment from September 2023; for John Ganem, the target remuneration under "2024 (new)" is subject to the condition that the Annual General Meeting approves the revised Management Board remuneration system; if not, the target remuneration under "2024 (current)" applies.

3) The annual bonus for John Ganem is based on the contractually agreed euro amount (i.e., without application of the stable-value clause). The retirement provision for John Ganem includes defined-contribution plan top-up payments by the US subsidiary.

Requirements as to the ratio of fixed and variable remuneration to the target amount for direct remuneration for fiscal year 2024 are complied with (40:60, excluding ancillary benefits and retirement provision), as are the requirements on the ratios of retirement provision and ancillary benefit amounts to the fixed salary (retirement provision: 20% to 40%; ancillary benefits: 10% maximum).

Supervisory Board remuneration

Remuneration system for the Supervisory Board and Annual General Meeting vote on the remuneration system for the members of the Supervisory Board
The current remuneration system for the Supervisory Board was most recently revised in 2023. The Annual General Meeting of the Company on May 17, 2023 adopted the new remuneration system for the Supervisory Board with a majority of 99.63% of valid votes cast. It was also decided that the new remuneration system for the Supervisory Board would be applied for the first time with respect to the reporting year.

The structure and amount of remuneration paid to Supervisory Board members are governed by Section 14 of the Articles of Association, which are published on the Company's website. The main features are presented in the following.

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 consists mainly of a fixed remuneration component (as basic remuneration), which is paid pro rata temporis in the event of personnel changes during the fiscal year. Attendance fees are also paid; reasonable cash expenses and value added tax are reimbursed. The Company covers the cost of external training for Supervisory Board members via expense accounts. The fixed remuneration is €60,000 per fiscal year. The Chairman of the Supervisory Board receives two-and-a-half times, his or her deputy one-and-a-half times and the Chairman of the Audit Committee one-and-a-quarter times the fixed remuneration. The attendance allowance is €2,000 per meeting. The Chairman of the Supervisory Board and any Chairman of a Supervisory Board committee each receive two-and-a-half times this amount and their deputies one-and-a-half times this amount. As the remuneration is fixed, no cap or maximum remuneration amount is to be specified.

In addition, in the Company's interest, the members of the Supervisory Board are included in D&O insurance. There has no longer been a deductible since January 1, 2024.

A detailed description of the remuneration system for the Supervisory Board is available on the Company's website at https://www.kloeckner.com/en/group/supervisory-board.html

The Supervisory Board regularly reviews the appropriateness of the remuneration system for the Supervisory Board. Under the German Stock Corporation Act as amended by ARUG II, the Annual General Meeting must also adopt a resolution on the remuneration system for the members of the Supervisory Board at least once every four years. The next such resolution must therefore be adopted no later than 2027.

Consideration of a resolution under Section 120a (4) of the German Stock Corporation Act
On May 17, 2023, the Annual General Meeting of the Company approved the Remuneration Report 2022 with a majority of 91.65% of valid votes cast. No points of criticism or critical questions were raised with regard to the Remuneration Report 2021. In light of this, the Supervisory Board sees no fundamental need to change the nature and scope of reporting. The Supervisory Board nonetheless continues to address the continuous improvement of the remuneration report.

Remuneration in fiscal year 2023

REMUNERATION GRANTED AND DUE (INCLUDING RELATIVE PROPORTIONS)
The table below shows, for each individual Supervisory Board member, the remuneration earned in the reporting year by the members of the Supervisory Board which falls due after the end of the Annual General Meeting in 2024.

For the memberships in Supervisory Board committees in fiscal year 2023, please see the Corporate Governance Statement (under "Supervisory Board committees") in the Annual Report 2023 (see page 93). Meeting attendance information is provided in the Report of the Supervisory Board (see page 13).

Under Section 14 (5) of the Company's Articles of Association, the fixed remuneration and attendance fees fall due after the end of the Annual General Meeting that receives or decides on the approval of the consolidated financial statements for the relevant fiscal year.

SUPERVISORY BOARD REMUNERATION GRANTED AND DUE IN 2022 UNDER SECTION 162 OF THE STOCK CORPORATION ACT[1), 2)]

(in €)	Basic remuneration (fixed remuneration)	% of total remuneration	Attendance fees (fixed remuneration)	% of total remuneration	Total
Prof. Dr. Dieter H. Vogel (Chairman)	150,000	73	55,000	27	205,000
Dr. Ralph Heck (Deputy Chairman)	90,000	83	18,000	17	108,000
Prof. Dr. Tobias Kollmann	60,000	88	8,000	12	68,000
Prof. Dr. E.h. Friedhelm Loh	60,000	79	16,000	21	76,000
Uwe Röhrhoff	60,000	75	20,000	25	80,000
Ute Wolf (Chairwoman of the Audit Committee)	75,000	68	35,000	32	110,000
Supervisory Board	**495,000**	**77**	**152,000**	**23**	**647,000**

1) Remuneration earned for Supervisory Board service in the reporting year (paid out after the Annual General Meeting in the current fiscal year, excluding remuneration earned in the preceding fiscal year and paid out in the reporting year).
2) Remuneration is paid plus any value added tax to be remitted in Germany, or value added tax is reimbursed by the Company; in the case of Dr. Ralph Heck, any withholding tax to be paid in Switzerland is retained out of the stated amount.

SUPERVISORY BOARD REMUNERATION GRANTED AND DUE IN 2021 UNDER SECTION 162 OF THE STOCK CORPORATION ACT[1), 2)]

(in €)	Basic remuneration (fixed remuneration)	% of total remuneration	Attendance fees (fixed remuneration)[3)]	% of total remuneration	Total
Prof. Dr. Dieter H. Vogel (Chairman)	100,000	63	60,000	37	160,000
Dr. Ralph Heck (Deputy Chairman)	60,000	70	26,000	30	86,000
Prof. Dr. Tobias Kollmann	40,000	77	12,000	23	52,000
Prof. Dr. E.h. Friedhelm Loh	40,000	71	16,000	29	56,000
Uwe Röhrhoff	40,000	65	22,000	35	62,000
Ute Wolf (Chairwoman of the Audit Committee)	50,000	59	35,000	41	85,000
Supervisory Board	**330,000**	**66**	**171,000**	**34**	**501,000**

1) Remuneration earned for Supervisory Board service in fiscal year 2022 (paid out after the Annual General Meeting in fiscal year 2023), excluding remuneration paid out in fiscal year 2022 and earned in the preceding fiscal year.
2) Remuneration was paid plus any value added tax to be remitted in Germany, or value added tax was reimbursed by the Company; in the case of Dr. Ralph Heck, any withholding tax to be paid in Switzerland was retained out of the stated amount.
3) The two extraordinary meetings in January 2022 were counted for remuneration purposes as one meeting, i.e. (i) the attendance fee is earned by attending either one of the two meetings and (ii) the attendance fee is granted only once, even if both meetings were attended.

Supervisory Board remuneration according to Section 314 (1) No. 6 of the German Commercial Code (consolidated financial statements) and Section 285 No. 9 of the German Commercial Code (single-entity financial statements), totaled €647,000 in 2023 (2022: €501,000).

No remuneration or benefits for services rendered on an individual basis – particularly consulting or agency services – were granted to Supervisory Board members in the year under review. Expenses were reimbursed within the limits set out above in the description of the remuneration system for the Supervisory Board.

No remuneration is paid in shares or stock options. As the remuneration consists entirely of fixed components, no variable remuneration components were clawed back in the reporting year.

EXPLANATORY NOTES ON CONFORMITY WITH THE REMUNERATION SYSTEM, PROMOTION OF THE COMPANY'S LONG-TERM DEVELOPMENT AND APPLICATION OF THE PERFORMANCE CRITERIA

The requirements of the remuneration system were complied with. As the remuneration is entirely fixed (fixed/basic remuneration, attendance fees and reimbursement of expenses), no cap or maximum remuneration amount is necessary. For the same reason, it is not necessary to describe the application of any performance criteria. The remuneration system for members of the Supervisory Board comprising (fixed) basic remuneration and attendance fees with appropriate multiples for chairpersons and deputy chairpersons accords with prevailing market practice at comparable companies in Germany. The remuneration is intended to appropriately remunerate the members of the Supervisory Board for their prudent and conscientious supervision of the Management Board and to attract and retain suitable candidates for the office of member of the Supervisory Board. In this way, it promotes the corporate strategy and the Company's long-term development.

COMPARATIVE ANALYSIS OF ANNUAL CHANGES IN SUPERVISORY BOARD REMUNERATION, THE COMPANY'S FINANCIAL PERFORMANCE AND AVERAGE EMPLOYEE REMUNERATION

The table below shows the percentage change in the remuneration of members of the Supervisory Board in comparison to the financial performance of Klöckner & Co SE and changes in average employee remuneration on a full-time equivalent basis.

As in the comparative analysis of remuneration for members of the Management Board, the financial performance of Klöckner & Co SE is presented on the basis of the following key performance indicators: (i) net income (or net loss) of Klöckner & Co SE, (ii) consolidated EBITDA before material special effects and (iii) consolidated cash flow from operating activities.

Average employee remuneration is determined, as in the comparative analysis of remuneration for members of the Management Board, on a full-time equivalent basis for two groups: (i) senior management (management level 1) worldwide and (ii) the total workforce worldwide. Accordingly, for further details, please refer to the information in the report on Management Board remuneration.

COMPARATIVE ANALYSIS OF ANNUAL CHANGES IN SUPERVISORY BOARD REMUNERATION PURSUANT TO SECTION 162 (1) NO. 2 AKTG

Supervisory Board remuneration[1]	2018–2019	2019–2020	2020–2021	2021–2022	2022–2023
Current members of the Supervisory Board					
Prof. Dr. Dieter H. Vogel (Chairman)	20%	– 13%	– 3%	10%	28%
Dr. Ralph Heck (Deputy Chairman) – since May 16, 2018	60%	– 8%	0%	10%	26%
Prof. Dr. Tobias Kollmann	13%	– 4%	– 4%	8%	31%
Prof. Dr. E.h. Friedhelm Loh	20%	– 10%	0%	4%	36%
Ute Wolf (Chairwomen of the Audit Committee)	15%	– 8%	– 2%	5%	29%
Uwe Röhrhoff (Deputy Chairman) – from May 12, 2017 to May 16, 2018; ordinary member since May 12, 2021	– 100%	-	-	60%	29%
Earnings performance					
Net income of Klöckner & Co SE	– 613%	94%	3233%	– 61%	– 283%
EBITDA before material special effects (Group)	– 46%	– 10%	664%	– 51%	– 55%
Operating cash flow (Group)	240%	– 21%	– 290%	232%	– 21%
Average employee remuneration on full-time equivalent basis					
Senior management worldwide (Level 1)[2, 3]	– 18%	15%	– 2%	– 5%	1%
Total workforce worldwide[3]	4%	3%	10%	– 4%	– 2%

1) Total remuneration within the meaning of Section 162 (1) sentence 1 of the German Stock Corporation Act (fiscal years 2018 to 2020 pro forma).
2) The comparison group comprises the management of country organizations and heads of corporate departments at Klöckner & Co SE.
3) Adjusted for exchange rate movements.

Duisburg, March 5, 2024

Klöckner & Co SE

On behalf of the Supervisory Board

Prof. Dr. Dieter H. Vogel
CHAIRMAN OF THE SUPERVISORY BOARD

Management Board

Guido Kerkhoff

CHAIRMAN OF THE MANAGEMENT BOARD
(CEO)

Dr. Oliver Falk

MEMBER OF THE MANAGEMENT BOARD
(CFO)

John Ganem

MEMBER OF THE MANAGEMENT BOARD
(CEO AMERICAS)

Auditor's Report

To Klöckner & Co SE, Duisburg

Remuneration Report pursuant to § 162 AktG for the Financial Year from January 1 to December 31, 2023

We have audited the remuneration report of Klöckner & Co SE, Duisburg, for the financial year from January 1, 2023 to December 31, 2023 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of the Executive Directors and the Supervisory Board
The executive directors and the supervisory board of Klöckner & Co SE are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities
Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of the remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1, 2023 to December 31, 2023, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

Reference to an Other Matter – Formal Audit of the Remuneration Report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

Restriction on use

We issue this auditor's report on the basis of the engagement agreed with Klöckner & Co SE. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Düsseldorf, March 5, 2024

PricewaterhouseCoopers GmbH

Wirtschaftsprüfungsgesellschaft

Antje Schlotter

Wirtschaftsprüferin
(German Public Auditor)

ppa. Verena Polzer

Wirtschaftsprüferin
(German Public Auditor)

IV. Supplementary information on agenda item 7

Overview of the intended changes to the remuneration system for the members of the Management Board

The previous remuneration system for the members of the Management Board (the "2021 Remuneration System") was presented to the Annual General Meeting on May 12, 2021 and approved with a majority of 71.2%. The Supervisory Board of Klöckner & Co SE regularly reviews the remuneration system for the members of the Management Board.

In the opinion of the Supervisory Board, the basic concept of the remuneration system for the members of the Management Board has proven itself and does not require any adjustment. This applies in particular with regard to the clear and thus transparent structure that is readily comprehensible for shareholders. In the view of the Supervisory Board, only a selective adjustment to the remuneration system with regard to the maximum remuneration is indicated. There is currently no need for further significant changes to the 2021 Remuneration System. However, various editorial changes and updates are to be made to the 2021 Remuneration System on the occasion of the above-mentioned amendment. This also includes additional explanations in relation to points of criticism raised by shareholders with regard to the 2021 Remuneration System.

The table below provides an overview of the main intended amendments and other (unmodified) key elements of the remuneration system, in each case together with an explanation of why the amendment has been made or why no changes are indicated. For details and the remaining editorial changes, please refer to the amended remuneration system for the members of the Management Board (the "2024 Remuneration system"), which is contained in the Invitation to the 2024 Annual General Meeting and is also available on the website for the 2024 Annual General Meeting, and also to the -tracked-change comparison with the 2021 Remuneration System that is likewise available on the website for the 2024 Annual General Meeting.

The 2024 Remuneration System was adopted by the Supervisory Board of Klöckner & Co SE on March 5, 2024 at the recommendation of its Presidium (in its capacity as the Personnel Committee responsible for the remuneration of the Management Board) and will be submitted to the Annual General Meeting for approval on May 23, 2024. If approved by the Annual General Meeting, it will apply from January 1, 2024.

Maximum remuneration (amendment)

Current version:
Maximum remuneration (total annual remuneration):
- Chairman of the Management Board: EUR 6,400,000
- Deputy Chairman of the Management Board: EUR 4,000,000
- Ordinary member of the Management Board: EUR 2,200,000

Amendment:
Increase in maximum remuneration (total annual remuneration) as follows:
- Chairman of the Management Board: EUR 6,400,000 (unchanged/no increase)
- Deputy Chairman of the Management Board: EUR 5,000,000
- Ordinary member of the Management Board: EUR 3,500,000

Background:
The previous amounts for the maximum remuneration were set at the beginning of 2021 based on the remuneration at that time. In the view of the Supervisory Board, in particular the cap for ordinary members of the Management Board of EUR 2.2 million is now in need of adjustment.

Within specified bounds, the selected maximum remuneration is 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 while retaining the ability to offer competitive Management Board remuneration. In particular, the Kloeckner Americas segment has grown strongly, not least due to the acquisitions and investments made there, and in the future will become more important for the Group as a whole. Due to the size that the organization has reached and the diversified business, the tasks of management in this segment have become significantly more complex. An in-depth horizontal benchmarking also showed that the US market and companies comparable to Klöckner in North America pay higher remuneration. To take account of the increased demands and the difference in remuneration, it is necessary to be also able to pay market-oriented remuneration for members of the Management Board who are based in the USA.

In addition, the selected maximum remuneration includes an additional buffer to enable a flexible response to market changes and currently unforeseeable situations during the term of the 2024 Remuneration System. Considering this additional buffer and the remuneration levels within the Management Board, the maximum remuneration for the Deputy Chairman of the Management Board is to be adjusted to EUR 5.0 million per year and for the remaining members of the Management Board to EUR 3.5 million per year; the maximum remuneration for the Chairman of the Management Board shall remain unchanged at EUR 6.4 million per year.

However, the above amounts do not represent the level of remuneration targeted by the Supervisory Board, but merely constitute the absolute upper limit of the total annual remuneration achievable. The maximum remuneration must therefore be clearly distinguished from the total target remuneration.

Amounts for retirement provision and ancillary benefits (unchanged)
Current version: Retirement provision: Maximum of 40% of the fixed salary Ancillary benefits: Maximum of 10% of the fixed salary No adjustment Background: In the view of the Supervisory Board, the existing limits of a maximum of 10% of the fixed salary for ancillary benefits and 20% to 40% maximum of the fixed salary for retirement provision are still appropriate. They should therefore remain unchanged.

Variable remuneration (unchanged)
Current version: 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. The basis for determining the amount of the annual bonus is its target amount (target bonus). The target bonus is the annual bonus to which a member of the Management Board is entitled under his or her contract at 100% achievement of the specified 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 specified when setting the targets. If annual targets are exceeded, the bonus may therefore exceed the target bonus. However, it may not exceed 200% of the target bonus (cap). No adjustment Background: In the view of the Supervisory Board, the provisions of the remuneration system on variable remuneration are still appropriate and reasonable. In particular, the targets available under the remuneration system allow adequate account to be given to sustainability-related aspects (including ESG criteria) and strategic considerations. By defining “milestones”, it is also possible to set multi-year linked targets and thus to set medium- and/or long-term targets as part of one-year variable remuneration (e.g. under multi-year plans for digitalization and sustainability targets). The target setting for the annual bonus therefore makes possible a balanced combination of short-term and long-term components.

Long-term variable remuneration in the nature of an LTI; share ownership (unchanged)
Current version: There is an obligation to invest a flat 30% of the gross annual bonus in Klöckner shares (personal investment). Assuming a 50% tax and social insurance burden, this corresponds to 60% of the net annual bonus. Shares purchased as part of the personal investment component are subject to a four-year lock-up period. No adjustment Background: The long-term variable remuneration (in the nature of a long-term incentive/LTI) is provided under the remuneration system by way of a requirement to use the majority of the annual bonus (see above) to purchase Klöckner shares, combined with a four-year lock-up period. In the opinion of the Supervisory Board, this is the best possible way to give an incentive predominantly towards the long-term development of the share price and thus the success of the Company. The German Corporate Governance Code also explicitly mentions the possibility of purchasing shares as a long-term remuneration component. This form of long-term variable remuneration in the nature of an LTI is also easy to comprehend, without the need for complex calculations with diverse KPIs and factors, and is therefore also transparent for shareholders. In addition to the personal investment as the main LTI component, it is also possible to take account of multi-year targets when setting the targets for the annual bonus (see above). Due to its level and the lock-up period, which generally also applies beyond any termination of Management Board service, the personal investment also obliges members of the Management Board to build and hold a significant share ownership. On the basis of the target bonus, the annual personal investment corresponds to a significant portion of the annual fixed salary, with the size of that portion increasing or decreasing according to target achievement; with increasing length of service on the Management Board, the total size of the personal investment can therefore grow to a multiple of the annual fixed salary.

Discretionary bonus (unchanged)

Current version:
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.

No adjustment

Background:
The Supervisory Board still considers it appropriate to have the general possibility of granting a discretionary bonus. At the same time, it expressly does not regard this as an instrument for arbitrary increases in Management Board remuneration beyond the system of targets provided for in the remuneration system. Instead, it is an option for truly exceptional cases, which the Supervisory Board will use very restrictively. Accordingly, it is almost 14 years since the last discretionary bonus was awarded. In addition, even if a discretionary bonus is awarded, the cap of 200% target achievement continues to apply (for the sum of regular and discretionary bonuses).

Clawback/negative bonus (malus) (unchanged)

Current version:
The Company may claw back performance-related remuneration (bonuses) if, after payment, it transpires 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 (clawback).

In addition, the remuneration system already includes possibilities for negative bonus (malus) components in remuneration, even if they are not explicitly designated as such.

- Within the agreement on the individual targets, it is, in general, possible to determine that target achievement can become negative (as a negative bonus (malus)) – please see for example, the negative target achievement for operating cash flow in fiscal year 2021. This may result in a corresponding reduction of the overall target achievement and thus of the annual bonus.
- The obligation to purchase and hold shares (personal investment) can also act as a negative bonus (malus) in the event of negative share price performance.

No adjustment

Background:
The existing provisions of the remuneration system on the clawback of remuneration components in conjunction with the statutory clawback and compensatory claims for damages, as well as the components described above that can have the effect of a negative bonus (malus), continue to be appropriate in the view of the Supervisory Board. The remuneration system should therefore remain unchanged in this respect.

New remuneration system for the members of the Management Board (2024 Remuneration System)

Remuneration system for the members of the Management Board
Klöckner & 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. With the expansion of its portfolio of CO_2-reduced materials, services and logistics options under the Nexigen® umbrella brand, the company is underscoring its role as a pioneer of a sustainable steel industry. 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. In addition, Klöckner & Co plans to expand its fabrication portfolio in order to benefit from the highly profitable fabrication business and from being significantly less dependent on steel price trends. This ambitious goal requires dedicated, strategic and long-term leadership by the Management Board.

The Supervisory Board is proposing to the Annual General Meeting an amended system for the remuneration of the members of the Management Board of Klöckner & Co SE ("2024 Remuneration System") that contributes significantly towards advancing the implementation of the corporate strategy and to the successful, sustainable and long-term development of Klöckner & Co and complies with the statutory requirements and the recommendations of the German Corporate Governance Code in the current version dated April 28, 2022, published on June 27, 2022.

1. BASIC PRINCIPLES OF THE 2024 REMUNERATION SYSTEM: PROMOTION OF THE CORPORATE STRATEGY AND THE COMPANY'S LONG-TERM DEVELOPMENT

The 2024 Remuneration System is geared to make a significant contribution 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 2024 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 making the mandatory term of Management Board members' personal investment at least four years, the 2024 Remuneration System strengthens the incentive towards the long-term development of the Company.

For the annual bonus, clearly measurable targets will be set that are core components of Klöckner & Co SE's growth and value strategy. At the same time, the Management Board is given non-financial targets which serve the Company's strategic and sustainable orientation and take account of ESG issues. The targets are derived in part from the multi-year strategic planning and therefore represent milestones towards the achievement of the Company's long-term development goals.

In addition, the long-term personal investment by each Management Board member in Klöckner & 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 is intended to 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 provide incentives for dedicated and successful management in a dynamic business environment that are transparent and sustainable.

The 2024 Remuneration System as a whole takes into account the challenging task faced by the members of the Management Board in continuing to systematically implement the corporate strategy.

As a balanced system, the 2024 Remuneration System is intended to be in force for several years and, during this, 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 a remuneration system submitted to the Annual General Meeting for approval. Preparation of the related Supervisory Board resolutions is the responsibility of the Supervisory Board's Presidium.

In several meetings, the Supervisory Board consulted intensively on the remuneration system and the possibility of amending it; in preparation, the Presidium had already dealt with the amendment of the remuneration system and selective changes to it at its meeting in September 2023. Subsequently, at its meeting in December 2023, the Supervisory Board concluded that a selective amendment of the remuneration system was appropriate and that an amended remuneration system should be discussed and decided in March 2024. In March 2024, the Presidium and then the Supervisory Board reviewed the entire remuneration system. In the review of the 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. The Supervisory Board regularly conducts vertical and horizontal benchmarking in order to gauge the appropriateness of Management Board remuneration. No need was identified for a fundamental revision of the remuneration system and it was therefore decided to make only selective and editorial adjustments. Following in-depth consultation, the Supervisory Board adopted the 2024 Remuneration System in the form presented herein at its meeting on March 5, 2024.

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 2024 Remuneration System in the future in individual contracts with the members of the Management Board upon all new appointments and reappointments. Existing contracts remain unaffected, although they already meet the requirements of the 2024 Remuneration System without further adjustments due to the limited changes relative to the current remuneration system.

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 will thus 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 2024 Remuneration System even after the Annual General Meeting has adopted a resolution approving the 2024 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 2024 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.

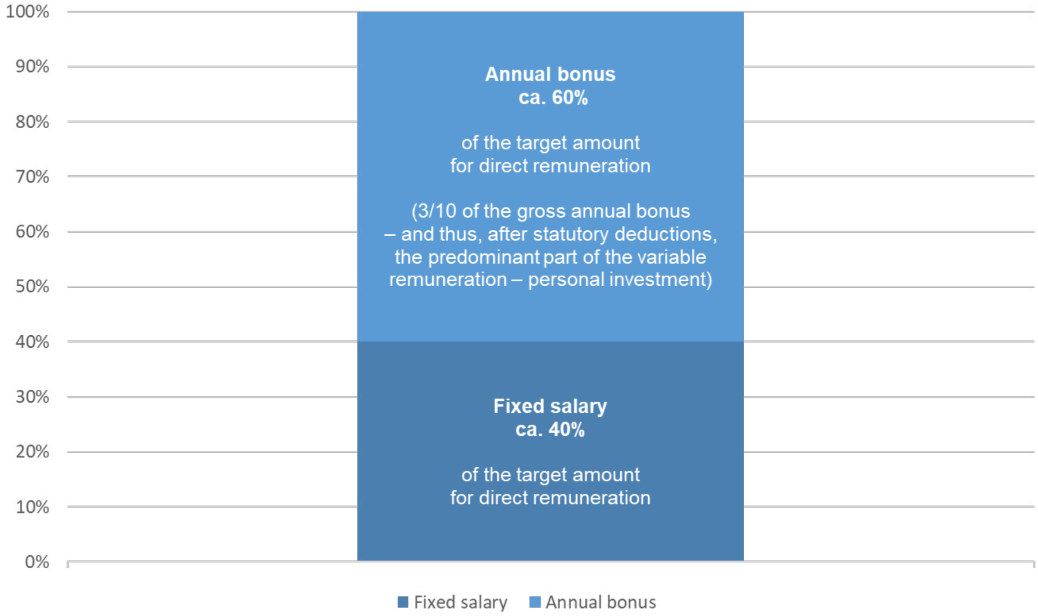
- The **non-performance-related remuneration** comprises a basic salary (fixed salary), an amount to be used for private retirement provision and ancillary benefits (particularly, insurance premiums and a company car).
- The **performance-related remuneration** consists of a variable annual bonus, the 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 2024 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 the target amount for the annual bonus in the total target amount for direct remuneration.

Figure 1:
Structure of the target amount for direct remuneration



Note: The relative proportions 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 in 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 approximately 20% of the target amount for direct remuneration.

The target amount for direct remuneration (comprising the fixed salary and the target amount for the bonus), the contribution to retirement provision and the ancillary benefits normally comprise all remuneration components and hence the **target total remuneration** (for the scope for derogation, see heading 8; for potential additional benefits on commencement of a Management Board position, see heading 11).

Based on the above percentage proportions 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 proportions of the target total remuneration: Fixed salary 35%, retirement provision 10%, ancillary benefits 3% and target amount for the annual 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 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. Individual incentives are nevertheless possible under the remuneration system. The Supervisory Board reserves the right to set individual targets, different target amounts and/or target weightings 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 generally 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 to receive retirement provision, subject to the above upper limit, in the form of a payment by the Company into a pension/provident fund covered by pension liability insurance, 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 legal expenses insurance and general legal expenses insurance) as well as the provision of communication devices and a company car for business and private use (potentially including driver in the case of the CEO) or alternatively a car allowance (a lump-sum compensation payment for the use of a private car instead of a company car). Ancillary benefits can vary in value from year to year for person- and occasion-related reasons but are limited to a maximum of 10% of the fixed salary. Ancillary benefits not considered as remuneration and hence not subject to the 10% limit are, in particular, (i) the reimbursement of expenses to which Management Board members are entitled by law, (ii) 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 and (iii) insurance premiums for certain group insurance policies that are not considered to be Management Board remuneration within the meaning of the German Stock Corporation Act.

5. PERFORMANCE-RELATED REMUNERATION COMPONENTS

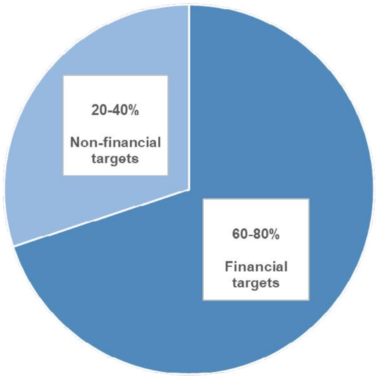
OVERVIEW

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 targets are derived in part from the multi-year and long-term strategic planning and therefore represent milestones towards the achievement of the Company's long-term development goals. The target setting for the annual bonus therefore enables a balanced combination of short-term and long-term components.

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 its 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 specified when setting the targets. If annual targets are exceeded, the annual bonus may therefore exceed the target bonus. However, it may not exceed 200% of the target bonus (cap). 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 the annual bonus



The 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 (long term incentive).

FINANCIAL TARGETS

In order to specify the financial targets, the Supervisory Board annually sets 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:

- 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) (these include ESG criteria). As with the financial targets, the Supervisory Board also attaches 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 the corporate strategy

- Business development
- Market access and exploitation
- Transformation and digitalization targets
- Optimization/efficiency improvements
- Leadership qualities and strategic priorities
- Corporate structure and organization
- Strategic projects

Sustainability

- Compliance and risk management
- Customer satisfaction
- Employee-related targets (including health and satisfaction)
- Diversity
- Innovation
- Succession planning
- Reporting and communication
- Limiting CO_2-emissions and responsible 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, including sustainability-related aspects (ESG targets). The targets are derived in part from the multi-year and long-term strategic planning and therefore take account both of short-term and of long-term components.

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 due discretion; they are normally set uniformly for the entire Management Board. The Supervisory Board will base the targets on the annual budgeting and, if appropriate, the multi-year strategic planning and will 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, in terms of the financial targets, primarily from the (audited) consolidated financial statements and/or the audited management report, 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 therefore be forfeited.

The table below shows **by way of example** how the financial and non-financial performance criteria in the 2024 Remuneration System may be set and weighted and how the actual bonus amount for a member of the Management Board is determined annually on this basis:

	Share of target bonus in %	Degree of target achievement in % (fictitious values)	Share achieved in %
Financial performance criteria			
EBITDA in accordance with IFRS 16	50	63	31.5
OCF in accordance with IFRS 16	30	58	17.4
Non-financial performance criteria			
Strategy / digitalization (5%)			
1. Share of digital orders as a percentage of the total number of orders (digital orders)	1.5	80	1.2
2. Share of digital quotes as a percentage of the total number of orders (digital quotes)	1.5	140	2.1
3. Number of manual corrections to orders received via digital channels as a percentage of the total number of digital orders (average number of changes to all online orders)	2	120	2.4
Sustainability / ESG (15%):			
1. Reduction in CO_2e-emissions measured as the reduction in Scope 1 and 2 emissions	5	226	11.3
2. Employee satisfaction measured on the basis of the results of the annual employee survey	5	98	4.9
3. Reduction in lost-time injury frequency (LTIF)	5	100	5
Total:	100.0		75.8
	Target bonus in EUR (fictitious value)		**Bonus achieved in EUR**
Member of the Management Board	690,000		523,020

PERSONAL INVESTMENT COMPONENT (LONG-TERM INCENTIVE)

Beyond the annual target achievement, the annual bonus is intended to 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, as they shall contain targets that are derived from the multi-year and long-term strategic planning and represent milestones towards the achievement of the Company's long-term development goals. 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. Due to its level and the lock-up period, which generally also applies beyond any termination of Management Board service, the personal investment also obliges members of the Management Board to build up and hold a significant share ownership (share ownership).

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 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 increases in the share price up to the end of the lock-up period, but on the other hand suffer a financial loss if the share price falls during that period (as a form of negative bonus component (malus)). In addition to promoting the sustainable development of the Company, the personal investment bonus component also strongly aligns long-term interests between the Management Board and shareholders and reinforces Management Board members' identification with the Company from the perspective of an investor. Furthermore, the substantial personal investment to be made in shares with a four-year lock-up period combines the long-term incentive (LTI) remuneration component with a share ownership component in a very simple and direct form.

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 – in addition to the setting of strategic and long-term targets as part of the annual targets – 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.

As in the past, the Supervisory Board will only make use of the possibility to grant a discretionary bonus very restrictively and in justified exceptional cases; in such event, the Supervisory Board will report on it in a detailed and transparent manner.

6. TARGET TOTAL REMUNERATION UNDER THE 2024 REMUNERATION SYSTEM AND ASSESSMENT OF THE APPROPRIATENESS OF MANAGEMENT BOARD REMUNERATION

On the basis of the 2024 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 2024 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, the capped ancillary benefits and the likewise capped retirement provision.

In addition, in accordance with Section 87a (1) sentence 2 no. 1 AktG, the 2024 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). Within specified bounds, the selected maximum remuneration is 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 while retaining the ability to offer competitive Management Board remuneration. In particular, the Kloeckner Americas segment has grown strongly, not least due to the acquisitions and investments made there, and in the future will become more important for the Group as a whole. Due to the size that the organization has reached and the diversified business, the tasks of management in this segment have become significantly more complex. An in-depth horizontal benchmarking also showed that the US market and companies comparable to Klöckner in North America pay higher remuneration. To take account of the increased demands and the difference in remuneration, it is necessary to be also able to pay market-oriented remuneration for members of the Management Board who are based in the USA. In addition, the selected maximum remuneration includes an additional buffer to enable a flexible response to market changes and currently unforeseeable situations during the term of the 2024 Remuneration System. Considering this additional buffer and the remuneration levels within the Management Board, 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 at EUR 5.0 million per year and for the remaining members of the Management Board at EUR 3.5 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 2024 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 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; however, this should only be considered in justified exceptional cases (see 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 2024 Remuneration System: provisions regarding procedure, remuneration structure and amount (including the maximum remuneration) as well as modifications to individual remuneration components. In particular, the respective relative proportions accounted for by the individual remuneration components and their respective preconditions may be derogated from and the fixed 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 2024 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 (clawback). The Management Board member does not need to be at fault with regard to the need for correction of the consolidated financial statements. 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 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 against the Management Board remuneration. 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 Management Board remuneration.

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 German Corporate Governance Code. Subject to a change in the German Corporate Governance Code or the law, the contracts of Management Board members on initial appointment will generally not exceed a term of three years. For reappointments and extensions to the term of office, the statutory maximum term applies; this is currently five years.

Without prejudice to any right of termination for cause, the Company will agree for the event that a Management Board member leaves office ahead of term that the Management Board member's contract may be terminated 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 by the Company for cause.

The amount of annual remuneration used to calculate 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 failed are deducted. The compensation is offset against any severance payment. In the event of termination for 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 or registered partner 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, in accordance with the stipulations of Section 162 AktG, additionally prepare an annual report on remuneration granted by and due from 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.

Requirements for participation and other details pursuant to Section 121 (3) sentence 3 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 below by no later than the end of the day on May 16, 2024 (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 Annual General Meeting at https://www.kloeckner.com/en/investors/annual-general-meeting/online-service.html. Furthermore, shareholders who want to participate and exercise their voting rights need to be listed in the Company's shareholders' register at the time of the 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 May 2, 2024, (0:00 h CEST) will receive an invitation letter with reference to the agenda and instructions for the registration, including a registration form, by post (or if registered for e-mail delivery, by e-mail). The back 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 Annual General Meeting using our Annual General Meeting Online Service (https://www.kloeckner.com/en/investors/annual-general-meeting/online-service.html). Registration via the Annual General Meeting Online Service is likewise only possible until the end of the day on May 16, 2024 (midnight CEST).

After having given notice of participation, shareholders or their proxy holders will be sent an admission card to the Annual General Meeting. Shareholders giving notice of participation via our Online Service have the possibility of printing their admission card themselves or to have it sent electronically.

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 German Stock Corporation Act (AktG), rights and obligations arising from shares only apply for and against those listed in the shareholders' register. The right to participate and the exercise of voting rights in connection with the Annual General Meeting are thus determined by the date of the Annual General Meeting. Please note that between May 17, 2024, and May 23, 2024, (both dates included), no changes are made to the entries in the shareholders' register, i.e., acquirers of shares whose applications for changes of registration are received after May 16, 2024 will be entered in the shareholders' register only after the Annual General Meeting. The technical record date is therefore the end of the day on May 16, 2024 (midnight CEST). In light of this, all acquirers of shares in the Company not yet listed in the shareholders' register are requested to apply for a change of registration as soon as possible.

Procedures for exercising voting rights by proxy
Shareholders who do not wish to attend the Annual General Meeting in person may have their voting rights exercised by proxy, such as an intermediary, a shareholders' association or the proxy holders nominated by the Company. Also, in this case, registrations must be submitted on time and shareholders must be listed in the Company's shareholders' register at the time of the Annual General Meeting (see technical record date, above). Shareholders will receive a corresponding form together with the invitation letter to this 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 https://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 to such pursuant to Section 135 (8) AktG is authorized to act as proxy holder, 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

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. In addition, proof can be provided on the day of the Annual General Meeting at the entrance and exit controls.

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

If the Annual General Meeting is attended in person, a previously granted proxy may also be revoked on the day of the Annual General Meeting up to the beginning of the voting; this applies irrespective of the identity of the proxy holder, i.e., both to the proxy holders nominated by the Company, intermediaries, shareholders' associations, proxy advisors or other persons or institutions considered equivalent to such pursuant to Section 135 (8) AktG, and to third parties to whom proxy has been granted.

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 holder, 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. If intermediaries, shareholders' associations or proxy advisors participate in our Annual General Meeting Online Service (https://www.kloeckner.com/en/investors/annual-general-meeting/online-service.html), proxy may also be granted to them via the Online Service in accordance with the procedure specified by the Company and within the time periods applicable to the authorization of 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 instructions to exercise the right to speak and ask questions at the Annual General Meeting, to submit motions or to file objections against shareholders' resolutions, and that they will always abstain from voting on procedural motions and where no instructions have been given.

The granting and revocation of proxies to the proxy holders nominated by the Company and the issuance and amendment of instructions, if sent by post, must be received at the latest by the end of the day on May 22, 2024 (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 can be submitted electronically using our Annual General Meeting Online Service (https://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) until May 23, 2024, 08:00 a.m. (CEST; time of receipt as determined by system timestamp). The same applies to any change from proxy voting to absentee ballot (or vice versa) made by one of these channels.

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. If the Annual General Meeting is attended in person, a previously granted proxy can also be revoked on the day of the Annual General Meeting until the beginning of the voting (see above).

Procedures for voting by absentee ballot
As in previous years, you have the option to cast your vote by absentee ballot ahead of the Annual General Meeting. In the case of an absentee ballot, too, registrations to the Annual General Meeting must be submitted on time and shareholders must be listed in the Company's shareholders' register at the time of the Annual General Meeting (see technical record date above).

Shareholders have various ways of voting:

A vote by absentee ballot may be cast by post, fax or e-mail. Shareholders will receive a corresponding form together with the 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 https://www.kloeckner.com/en/investors/annual-general-meeting.html.

Furthermore, absentee ballots may be submitted via our Annual General Meeting Online Service (https://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 by the end of the day on May 22, 2024 (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 submitted electronically using our Annual General Meeting Online Service (https://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) by May 23, 2024, 08:00 a.m. (CEST; time of receipt as determined by system timestamp).

If, despite having already cast a vote by absentee ballot, a shareholder decides to represent the respective shares in person or have them represented by a proxy, this is possible subject to the foregoing and will be deemed as revoking the vote cast 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. In the case of shareholders and their proxy holders attending the Annual General Meeting in person, an absentee vote already cast can also be revoked on the day of the Annual General Meeting until the beginning of the voting.

(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: +49 203-307-5050
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 at https://www.kloeckner.com/en/investors/annual-general-meeting.html in accordance with the legal provisions and together with any comments by the management, provided that they were received at the above address by no later than the end of the day on May 8, 2024 (midnight CEST).

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 22, 2024 (midnight CEST), preferably at the following address:

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

Shareholders' right to information pursuant to Section 131 (1) AktG
Pursuant to Section 131 (1) AktG, all shareholders and shareholder representatives at the Annual General Meeting may request from the Management Board information about the affairs of the Company, the legal and business relationships of the Company with an affiliated company, as well as about the situation of the Group and of the companies included in its consolidated financial statements, provided that such information is necessary to form a considered opinion on one or more agenda items. Please note that the Management Board may decline to give such information subject to the conditions listed in Section 131 (3) AktG.

Website with information on the Annual General Meeting
This invitation, together with all other information on the 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 https://www.kloeckner.com/en/investors/annual-general-meeting.html.

Broadcast of the Annual General Meeting
From 10:30 a.m. (CEST) on the day of the Annual General Meeting, the entire Annual General Meeting will be broadcast live via our Online Service for the Annual General Meeting at https://www.kloeckner.com/en/investors/annual-general-meeting/online-service.html. The opening of the Annual General Meeting by the chairman of the meeting, the CEO's speech and the report by the Supervisory Board will additionally be broadcast live online on the day of the Annual General Meeting at https://www.kloeckner.com/en/investors/annual-general-meeting.html. This content will be made available in recorded form on the website after the Annual General Meeting. The broadcast of the Annual General Meeting does not allow for participation in the Annual General Meeting within the meaning of Section 118 (1) sentence 2 AktG in conjunction with Section 16 (3) of the Articles of Association.

Total number of shares and voting rights
At the time of convocation of this 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 Annual General Meeting therefore amounts to 99,750,000.

Information on Data Protection for Shareholders

When you register for the Annual General Meeting or authorize a proxy holder, we will collect personal data about you and/or your authorized proxy holder. We do so to enable shareholders to exercise their rights at the 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 Annual General Meeting website: https://www.kloeckner.com/en/investors/annual-general-meeting.html. Shareholders who authorize a proxy holder are kindly asked to communicate this information about data protection to the proxy holder.

Duisburg, April 2024

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
https://www.kloeckner.com/en/investors/annual-general-meeting/online-service.html

All shareholders who have registered by May 31, 2024 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
Am Silberpalais 1, 47057 Duisburg, Germany
Phone: +49 203-307-0
Fax: +49 203-307-5000
www.kloeckner.com