

Supervisory Board remuneration

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

“Section 14 Remuneration

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

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

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

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

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

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

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

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

While members of the Management Board also receive performance-related remuneration components, remuneration for the members of the Supervisory Board is structured entirely

as fixed remuneration. This strengthens the independence of the Supervisory Board and also complies with Recommendation G.18 sentence 1 of the German Corporate Governance Code (GCGC). The fixed remuneration promotes objective and neutral advice and oversight as well as independence in appointment and remuneration decisions in relation to the Management Board.

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

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

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

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