

Notice of  
**Annual General Meeting**  
(Virtual AGM)  
on 17 May 2021

Focus on **strengths**





## Notice of Annual General Meeting (Virtual AGM)

KRONES Aktiengesellschaft Neutraubling  
German securities identification code (WKN): 633500  
ISIN: DE0006335003

Our shareholders are hereby cordially invited to attend the  
41<sup>st</sup> Annual General Meeting, to be held on

**Monday, 17 May 2021 at 2:00 PM CEST,**

exclusively as a virtual annual general meeting (“Virtual AGM”) without the physical presence of shareholders and their proxies (with the exception of Company-appointed proxies). The location of the Annual General Meeting within the meaning of the German Stock Corporation Act is the business premises of KRONES Aktiengesellschaft (“KRONES AG”), Böhmerwaldstrasse 5, 93073 Neutraubling, Germany. The Annual General Meeting will be transmitted live online, with video and audio, for our registered shareholders and their proxies, via the Company’s Online Service at **[www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021)**.

Shareholders and their proxies can only exercise their voting rights by electronic postal vote or by issuing proxy authorisation to Company-appointed proxies. Please see **Section IV** below for more details.

## I. Agenda

1. Presentation of the ratified annual financial statements for the period ended 31 December 2020 and the approved consolidated financial statements for the period ended 31 December 2020 together with the management reports for KRONES AG and the KRONES Group for the financial year 2020, the Executive Board's proposal for the appropriation of earnings available for distribution, the report of the Supervisory Board on the financial year 2020, and the Executive Board's explanatory report on the disclosures pursuant to Sections 289a and 315a of the German Commercial Code (HGB).

The aforesaid documents are available on the Company's website at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021) now and will also be available there throughout the Annual General Meeting. They will also be explained in more detail during the Annual General Meeting.

In accordance with the applicable provisions of the law, no resolution on agenda item 1 is proposed or possible because the Supervisory Board has already approved the annual and consolidated financial statements and the annual financial statements are thereby ratified under Section 172 of the German Stock Corporation Act (AktG). Shareholders will vote on the Executive Board's proposal for the appropriation of earnings available for distribution under agenda item 2. For the remaining documents listed under agenda item 1, the law simply requires that shareholders be given an opportunity to inspect the documents for their information and does not provide for a resolution by the annual general meeting.

2. Resolution on the appropriation of earnings available for distribution for the financial year 2020

The Executive Board and the Supervisory Board propose that the €132,649,435.06 in earnings available for distribution for the financial year 2020 be used as follows:

	€
Payment of the minimum dividend of €0.06 per ordinary share entitled to dividends	1,895,584.32
Amount brought forward to new account	130,753,850.74
<b>Earnings available for distribution</b>	<b>132,649,435.06</b>

Pursuant to Section 58 (4) of the German Stock Corporation Act (AktG), the entitlement to dividends falls due on 20 May 2021.

3. Resolution to ratify the acts of the members of the Executive Board in the financial year 2020

The Executive Board and the Supervisory Board propose that the acts of the members of the Executive Board in the financial year 2020 be ratified.

**4. Resolution to ratify the acts of the members of the Supervisory Board in the financial year 2020**

The Executive Board and the Supervisory Board propose that the acts of the members of the Supervisory Board in the financial year 2020 be ratified.

**5. Resolution on the appointment of the independent auditor for the annual financial statements and the consolidated financial statements for the financial year 2021**

Based on the recommendation of the Audit Committee, the Supervisory Board proposes that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, be appointed as the independent auditor for the annual financial statements and the consolidated financial statements for the financial year 2021.

The Audit Committee has declared that its recommendation has not been improperly influenced by third parties and that no clause restricting its choice has been imposed on it within the meaning of Article 16 (6) of the EU Audit Regulation (EU 537/2014 of the European Parliament and of the Council from 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC).

**6. Resolution on a special election to the Supervisory Board**

Supervisory Board member Norman Kronseder has resigned from the Supervisory Board effective at the close of the Annual General Meeting on 17 May 2021 and will thus leave the Supervisory Board. No substitute member has been elected pursuant to Article 8 (3) of the Company's articles of association. For this reason, a Supervisory Board member must be elected by the Annual General Meeting as his successor.

Pursuant to Sections 95, 96 (1), 101 (1) AktG and Sections 1 (1) and 7 (1) sentence 1 number 2 of Germany's Codetermination Act of 1976 (MitbestG), and pursuant to Article 8 (1) sentence 1 of the Company's articles of association, the Supervisory Board of KRONES AG consists of sixteen members, of which eight are elected by the shareholders in accordance with the German Stock Corporation Act (AktG) and eight are elected by the employees in accordance with the Codetermination Act (MitbestG). The Annual General Meeting is not bound by the above nominations. Pursuant to Section 96 (2) sentence 1 AktG in conjunction with Section 1 (1) MitbestG, the Supervisory Board must be composed of at least 30% women and at least 30% men. Employee and shareholder representatives on the Supervisory Board of the Company have both decided to each meet the gender quota separately. Therefore, the shareholder and employee sides of the

Company's Supervisory Board must each contain at least two women and at least two men in order to meet the minimum levels of participation required under Section 96 (2) sentence 1 in conjunction with Section 96 (2) sentence 4 AktG. If the Supervisory Board's nominee is elected, the shareholder side of the Company's Supervisory Board would contain three women and five men and thus the minimum levels of participation required under Section 96 (2) sentence 1 in conjunction with Section 96 (2) sentence 4 AktG would be met.

The Supervisory Board proposes that

Nora Diepold (née Kronseder), residing in Regensburg, Germany, Managing Director of NK Immobilienverwaltungs GmbH, with registered office in Regensburg, be elected to the Supervisory Board as Norman Kronseder's successor as a shareholder representative effective upon the close of the Annual General Meeting on 17 May 2021 and, in accordance with Article 8 (4) of the Company's articles of association in conjunction with Section 102 (2) AktG, for the remainder of the departing member's term, that is, through the close of the annual general meeting that resolves on the ratification of the acts of the Supervisory Board for the financial year 2022.

The election nomination takes into account the goals that the Supervisory Board has set with respect to its composition and was chosen with the intention of achieving the profile of skills and expertise for the board as a whole that was developed by the Supervisory Board.

Nora Diepold (née Kronseder) is not a member of any other statutory supervisory bodies or comparable domestic or foreign monitoring bodies.

Nora Diepold (née Kronseder) is the daughter of the departing member of the Supervisory Board, Norman Kronseder. She is also a partner to the Kronseder Family Consortium and a party to a pooling agreement among the consortium's members. The purpose of the Kronseder Family Consortium is, among other things, to promote unified decision-making among the partners and voting in the Annual General Meeting of KRONES AG. The members of the pool agreement and partners to the consortium hold 52.18% of the shares and voting rights in KRONES AG (as of 31 December 2020). Furthermore, in the opinion of the Supervisory Board, there are no personal or business relationships that an objectively judging shareholder would consider decisive for their election decision within the meaning of C.13 of the German Corporate Governance Code between the proposed candidate on the one hand and KRONES AG, its group companies, the governing bodies of KRONES AG, or any shareholders with a material interest in KRONES AG on the other hand.

A curriculum vitae of Nora Diepold (née Kronseder), which provides information about her relevant knowledge, skills, and professional experience, is attached to this election nomination under Section II.1 below. The curriculum vitae can also be viewed on the Company's website at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021).

**7. Resolution on the cancellation of the authorised capital pursuant to Section 4 (4) of the articles of association, establishment of a new authorised capital with the option to exclude the subscription rights of shareholders, and a corresponding amendment to the articles of association**

By resolution of the Annual General Meeting of 15 June 2016, the Executive Board is authorised to increase the Company's share capital, with the approval of the Supervisory Board, by up to €10 million (authorised capital) through the issuance once or repeatedly of new ordinary bearer shares against cash contributions up to and including 15 June 2021. This authorisation has thus far not been utilised. However, the authorisation expires on 15 June 2021.

To ensure that the Company retains the flexibility to increase its share capital as needed without a further resolution by the Annual General Meeting, it is proposed that the existing authorised capital under Article 4 (4) of the articles of association be cancelled, a new stock of authorised capital be established in the same amount, and the articles of association be amended accordingly.

Therefore, the Executive Board and the Supervisory Board propose the following resolution:

**a) Cancellation of the authorised capital**

The authorisation granted to the Executive Board by the Annual General Meeting of the Company on 15 June 2016, to increase the Company's share capital, with the approval of the Supervisory Board, by up to €10 million (authorised capital under Article 4 (4) of the Company's articles of association) through the issuance once or repeatedly of ordinary bearer shares against cash contributions up to and including 15 June 2021, shall be cancelled, subject to the condition precedent that the new Authorised Capital 2021 under b) of this agenda item 7 becomes effective and the amendment to Article 4 (4) of the articles of association pursuant to c) of this agenda item 7 is entered into the Commercial Register.

**b) Creation of Authorised Capital 2021 with the option to exclude the subscription rights of shareholders**

The Executive Board shall be authorised to increase the Company's share capital, with the approval of the Supervisory Board, by up to €10 million through the issuance once or repeatedly of ordinary bearer shares against cash contributions up to and including 16 May 2026 ("**Authorised Capital 2021**"). In general, shareholders must be granted subscription rights to these shares. The Executive Board shall be authorised to exclude the subscription rights of shareholders, with the approval of the Supervisory Board, for any fractional amounts that may arise.

Moreover, the Executive Board shall be authorised to determine the further details of the capital increase and its implementation, both with the approval of the Supervisory Board. The Supervisory Board shall be authorised to amend the articles of association in accordance with any utilisation of the Authorised Capital 2021 and upon expiration of the term of the authorisation.

**c) Amendment of Article 4 (4) of the Company's articles of association**

Article 4 (4) of the Company's articles of association shall be replaced, in its entirety, with the following:

“The Executive Board is authorised to increase the Company's share capital, with the approval of the Supervisory Board, by up to €10 million through the issuance once or repeatedly of ordinary bearer shares against cash contributions up to and including 16 May 2026 (“**Authorised Capital 2021**”). In general, shareholders must be granted subscription rights to these shares. The Executive Board is authorised to exclude the subscription rights of shareholders, with the approval of the Supervisory Board, for any fractional amounts that may arise. Moreover, the Executive Board is authorised to determine the further details of the capital increase and its implementation, both with the approval of the Supervisory Board. The Supervisory Board is authorised to amend the articles of association in accordance with any utilisation of the Authorised Capital 2021 and upon expiration of the term of the authorisation.”

**d) Application for entry in the commercial register**

The Executive Board is instructed to submit for entry into the Commercial Register the cancellation of the authorised capital under Article 4 (4) of the articles of association as resolved under a) above of this agenda item 7 and the creation of a new Authorised Capital 2021 resolved under b) above of this agenda item 7 provided that, first, the cancellation of the authorised capital is entered, but only if the newly created Authorised Capital 2021 and the corresponding amendment to the articles of association are entered into the Commercial Register immediately afterwards.

**8. Resolution to approve the remuneration system for members of the Executive Board**

Section 120 (4) sentence 1 of the German Stock Corporation Act (AktG) in its previous version provided that the annual general meeting can resolve on approval of the system for Executive Board member remuneration. The last time an annual general meeting of the Company made such a resolution was on 13 June 2018. With the Act Implementing the Second Shareholders' Rights Directive (“ARUG II”), Section 120 (4) AktG was removed and a new Section 120a AktG introduced. Under Section 120a (1) sentence 1 AktG, the annual general meeting of listed companies must resolve on approval of the remuneration system for members of the Executive Board as presented by the Supervisory Board whenever a material change is made to the remuneration system or at least every four years. Pursuant to the transitional provisions stated under ARUG II, the resolution of the annual general meeting pursuant to Section 120a (1) AktG on approval of the remuneration system for members of the Executive Board is to be made for the first time before the end of the first annual general meeting held after 31 December 2020.



Based on the recommendation of its Standing Committee, the Supervisory Board proposes that the remuneration system for members of the Executive Board of KRONES AG, as described below under Section III. A as an annex to agenda item 8 and as resolved by the Supervisory Board on 24 March 2021, be approved.

#### **9. Resolution on the remuneration system and the remuneration for members of the Supervisory Board and a corresponding amendment to the articles of association**

Pursuant to Section 113 (3) AktG as amended by ARUG II, the annual general meeting of listed companies must adopt a resolution on the remuneration of members of the Supervisory Board at least once every four years. The first resolution is to be made before the end of the first annual general meeting held after 31 December 2020, even if the remuneration does not change.

The remuneration policy currently in place for the Supervisory Board, as contained in Article 15 of the Company's articles of association, is based on a resolution of the Annual General Meeting of the Company of 25 June 2014. The remuneration of the members of the Supervisory Board should remain largely unchanged compared with the previous policy and the amount would be adjusted in only one point effective 1 January 2021. Article 15 (4) of the Company's articles of association provides that members of the Supervisory Board who belong to special committees within the Supervisory Board receive additional remuneration of €7,000.00 annually. This rule should be expanded so that the Chair of the Audit and Risk Management Committee receives an additional remuneration of €14,000.00 annually instead. This is to account for the recommendation under G.17 of the German Corporate Governance Code, which states that remuneration of members of the Supervisory Board shall take appropriate account of the larger time commitment of the Chair of committees. Moreover, Article 15 (2) and the new Article 15 (5) of the Company's articles of association should further clarify the modalities of payment of reimbursement and remuneration.

Therefore, the Executive Board and the Supervisory Board propose the following resolution:

The remuneration system for the Supervisory Board of KRONES AG as described under Section III. B below as an annex to agenda item 9 and the resulting remuneration applicable effective 1 January 2021 shall be adopted and Article 15 of the Company's articles of association shall be amended as follows:

##### “Article 15 Remuneration

1.

Each member of the Supervisory Board shall receive, in addition to the reimbursement of expenses, a fixed remuneration of €35,000.00 per annum, payable after the end of each financial year. The Chair of the Supervisory Board shall receive two and one-half times and the Deputy Chair of the Supervisory Board shall receive one and one-half times the fixed remuneration cited above.

2.

Expenses shall be reimbursed either by payment of a lump sum amount of €1,500.00 for each attended meeting or, if the expenses exceed €1,500.00, by payment on the basis of receipts showing the actual costs. Expenses shall also be reimbursed for meetings attended or resolutions made by the Supervisory Board or its special committees by telephone or video conference. If multiple meetings take place on a single day, reimbursement of expenses will be paid only once.

3.

The Company shall reimburse each member of the Supervisory Board for the value added tax (VAT) due on the remuneration received. It shall provide the members of the Supervisory Board with insurance cover in the form of a civil liability insurance policy (D&O insurance) to cover the statutory liability arising from their activity as members of the Supervisory Board.

4.

Members of the Supervisory Board who belong to special committees within the Supervisory Board shall receive additional annual remuneration of €7,000.00 and the flatrate reimbursement for expenses in accordance with paragraph 2. The additional remuneration for the Chair of the Audit and Risk Management Committee shall be €14,000.00 annually. Moreover, paragraph 1 sentence 2 shall not apply to this additional remuneration.

5.

If members of the Supervisory Board leave the Supervisory Board or one of its committees during the financial year, the remuneration shall be prorated. The members of the Supervisory Board shall receive one twelfth of the remuneration for each month or part thereof of their activity.

If a member of the Supervisory Board withdraws from a function involving increased remuneration, the two preceding sentences shall apply mutatis mutandis with regard to the part of the remuneration associated with the function in question.”

**10. Resolution on amending Article 5a of the Company’s articles of association (Obligations to notify) and on amending Article 13 of the Company’s articles of association (Amending the wording of the articles of association)**

Article 5a of the Company’s articles of association provides that Section 27a (1) of the German Securities Trading Act (WpHG) does not apply. With the Second Financial Markets Amendment Act (Zweites Finanzmarktnovellierungsgesetz – 2. FiMaNoG) from 23 June 2017, Federal Gazette 2017 I No. 39, pp. 1693 et seq., Section 27a WpHG in its previous version has been moved to Section 43 WpHG. The content of the provision was not changed. The wording of Article 5a Company’s articles of association should be amended accordingly.

Article 13 of the Company's articles of association authorises the Supervisory Board to make amendments that affect only the wording of the articles of association, in particular such amendments which concern the conversion from DM to Euro. Amendments to the articles of association that concern the conversion from DM to Euro are no longer necessary. Therefore, Article 13 of the Company's articles of association should be amended accordingly.

Therefore, the Executive Board and the Supervisory Board propose the following resolution:

**a) Amendment of Article 5a of the Company's articles of association**

Article 5a of the Company's articles of association shall be replaced with the following:

"Section 43 (1) of the German Securities Trading Act (WpHG) does not apply."

**b) Amendment of Article 13 of the Company's articles of association**

Article 13 of the Company's articles of association shall be replaced with the following:

"The Supervisory Board is authorised to make amendments that affect only the wording of the articles of association."

## II. Further information about the candidate nominated for election to the Supervisory Board and report by the Executive Board to the Annual General Meeting

### 1. Further information on the candidate nominated for special election to the Supervisory Board (agenda item 6)

**Nora Diepold** (née Kronseder),

Managing Director of NK Immobilienverwaltungs GmbH, Regensburg, Germany

Born: 24 October 1988

Nationality: German

#### **Education:**

2008 – 2011 Traineeship as a banking professional at Sparkasse Regensburg

2011 – 2016 Bachelor of Science, Business and Economics (Vienna University of Economics and Business)

#### **Professional experience:**

Since 2018: Managing Director of NK Immobilienverwaltungs GmbH, Regensburg, Germany

2016 – 2020: Managing Director of Kronseder Management GmbH, Steinach, Germany

2011 – 2016: Management assistant at Saatzucht Steinach GmbH & Co KG, Steinach, Germany

#### **Memberships in any other statutory supervisory bodies or comparable domestic and foreign monitoring bodies of business enterprises:**

None

### 2. Executive Board's explanatory report on agenda item 7 (Resolution on the cancellation of the authorised capital pursuant to Section 4 (4) of the articles of association, establishment of a new authorised capital with the option to exclude the subscription rights of shareholders, and a corresponding amendment to the articles of association)

Under agenda item 7 of the Annual General Meeting on 17 May 2021, the Executive Board and Supervisory Board propose that the authorised capital under Article 4 (4) of the articles of association be cancelled and a new authorised capital ("**Authorised Capital 2021**") be created.

The existing authorised capital was adopted for a period of five years by the Annual General Meeting of 15 June 2016. This authorisation has thus far not been utilised.

The Executive Board has prepared the following report pursuant to Section 203 (2) sentence 2 in conjunction with Section 186 (4) sentence 2 of the German Stock Corporation Act (AktG) on agenda item 7 to the Annual General Meeting, stating the grounds for the proposed authorisation to exclude subscription rights when issuing new shares.

The Authorised Capital 2021 proposed under agenda item 7 is intended to replace the existing authorised capital, which expires at the end of the day 15 June 2021. The purpose of the proposed amendment to Article 4 (4) of the articles of association is to continue give the Executive Board the option of increasing the Company's share capital to the same extent, by as much as €10 million, with the approval of the Supervisory Board. This is designed to give the Executive Board the flexibility to act if a need for new funds or a favourable market situation arises. In this case, the Executive Board deems necessary an amount of up to €10 million. In the case of capital increases against cash contributions, the shareholders must be granted subscription rights. However, the authorisation provides that the Executive Board, with the approval of the Supervisory Board, may exclude subscription rights for fractional amounts. Fractional amounts may arise as a result of the issued volume and in the interest of achieving a practical subscription ratio. Exclusion of subscription rights for fractional amounts of the authorised capital makes it possible to maintain an even subscription ratio when exercising the proposed authorisation. The exclusion of subscription rights promotes the practicability of the capital increase and facilitates the issuance of shares with shareholders' subscription rights. Moreover, the value of fractional amounts per shareholder is generally small. By comparison, the expense involved in issuing shares without the exclusion of subscription rights on fractional amounts would be considerably higher. Such fractional amounts relating to shares for which subscription rights are excluded will be used in the Company's best interest, either through sale on the stock exchange or in another way. Because the exclusion of subscription rights under the authorisation proposed in agenda item 7 is limited to fractional amounts, the resulting potential for dilution to the shareholders' disadvantage is low. For the reasons cited above, the Executive Board deems the exclusion of subscription rights on the Authorised Capital 2021 as described to be reasonable and justified.

There are currently no specific plans for using the Authorised Capital 2021. The Executive Board will in any case carefully consider whether the use of the authorisation is in the interest of the Company and its shareholders.

If the Executive Board makes use of the above authorisation to exclude subscription rights within the framework of a capital increase based on the Authorised Capital 2021 during a financial year, it will report on it to in the subsequent Annual General Meeting.

### III. Annexes to agenda items 8 and 9

#### A. Description of the remuneration system for the members of the Executive Board (agenda item 8)

##### 1. Basic features of the remuneration system

The main business focus of KRONES AG (hereinafter “**KRONES**” or the “**Company**”) is the provision of machinery and systems for bottling and packaging and for beverage production. In addition, KRONES offers its customers innovative digitalisation and intralogistics solutions. KRONES is currently undergoing a structural change aimed at securing the Company’s long-term competitiveness. The Executive Board has decided on comprehensive measures for this purpose. These include, essentially, expanding the Company’s global footprint in the emerging markets, streamlining the product portfolio, and focussing on growth. Implementing these measures will strengthen profitability and ensure sustainable income generation – and thus lay the foundation for the Company’s long-term, profitable growth.

The remuneration system for the Executive Board serves as an important control element with regard to implementation of the Company’s business strategy. It establishes key incentives for profitable growth and for increasing enterprise value in the short and long terms. Moreover, by taking ESG (Environmental, Social, and Governance) targets into account, it also emphasises the sustainability of the Company. The current members of the Company’s Executive Board will receive remuneration based on the new system effective 1 January 2022 at the latest.

The details of the remuneration system meet the requirements specified under the German Stock Corporation Act (AktG) and the recommendations and suggestions of the German Corporate Governance Code unless noted other-wise. The Supervisory Board has based the features of the remuneration system for the Executive Board on the following principles in particular:

##### **Contributes to our business strategy**

The remuneration system for the Executive Board, in particular the performance criteria for the variable remuneration, are closely tied to our business strategy and thus establish a purposeful incentive structure.

##### **Clear and understandable**

The remuneration system is clear and understandable and can thus be communicated transparently both internally and externally.

### **Focus on the Company's long-term interests and sustainability**

The variable remuneration consists largely of long-term incentive components that promote increasing enterprise value and implementing important sustainability goals.

### **Performance-based remuneration (pay for performance)**

A significant portion of the remuneration of members of the Executive Board is variable and based on the achievement of ambitious targets to ensure that remuneration matches performance.

### **Takes shareholder interests into account**

The variable remuneration provides a strong incentive to increase the Company's enterprise value for the long term and therefore links the interests of the Executive Board with those of shareholders.

### **Appropriateness**

The remuneration of members of the Executive Board is appropriate in relation to the members' duties, responsibilities, and personal performance and experience as well as the economic situation, success, and expected development of the enterprise.

### **Consistency**

The same logic applies to the remuneration and incentives offered to Executive Board, managers, and employees, thus ensuring that the Company's business strategy and the associated targets are pursued Company-wide.

## **2. Procedure for determining, implementing, and revising the remuneration system**

The Supervisory Board establishes a clear and understandable system of Executive Board remuneration in accordance with Sections 87a (1) and 120a (1) AktG and submits it to the Annual General Meeting for approval whenever a material change is made or at least every four years. If the Annual General Meeting does not approve a submitted remuneration system, the Supervisory Board must, pursuant to Section 120a (3) AktG, submit a revised remuneration system to the next General Meeting for approval.

The Supervisory Board is responsible for determining, implementing, and revising the remuneration system and the remuneration amounts of the individual members of the Executive Board. To this end, the Standing Committee prepares the Supervisory Board's resolutions relating to remuneration and gives recommendations. When developing

and revising the remuneration system, the Supervisory Board or the Standing Committee may seek the assistance of an external remuneration expert. In this case, care is taken to ensure the independence of the remuneration expert from the Executive Board and from the Company.

### 2.1. Appropriateness

The Supervisory Board reviews the appropriateness of the remuneration amounts at regular intervals and as needed. The criteria for assessing the appropriateness of the remuneration include but are not limited to the tasks, responsibilities, personal performance, and experience of the respective member of the Executive Board and the economic position, success, and expected development of the enterprise, taking into account its peer companies.

On the one hand, the Supervisory Board reviews the appropriateness of the remuneration horizontally, by way of external benchmarks as compared with executive pay among other companies of similar size. Companies listed on Germany's SDAX share index serve as the comparable market. On the other hand, a vertical, internal comparison is made, which examines the relationship of Executive Board remuneration to the pay of senior management and employees (based on the typical reference wage of a skilled worker).

### 2.2. Conflicts of interest

When determining, implementing, and revising the remuneration system, the Supervisory Board heeds the precepts of the German Stock Corporation Act (AktG) and the German Corporate Governance Code for the handling of conflicts of interest. The principles for handling conflicts of interest are established in the rules of procedure for the Supervisory Board, under which each Supervisory Board member is required to immediately disclose any potential conflicts of interest to the Supervisory Board. Any Supervisory Board member with a material, non-temporary conflict of interest should immediately resign from the board. The Supervisory Board must report to the annual general meeting on any conflicts of interest that arise and their handling.

## 3. The remuneration system for the Executive Board at a glance

### 3.1. Components of the remuneration system

The remuneration system for the Executive Board consists of fixed and variable components which together build the total payout for Executive Board members. The fixed components include the base salary, fringe benefits, and post-employment benefits. The variable components break down into short-term and long-term incentives that are



each linked to the achievement of different targets. The short-term incentive has a performance period of one year. The long-term incentive has a performance period of three years.

The table below provides an overview of the structure of the various components and other provisions of the Executive Board remuneration system:

	Remuneration components	Details	
Fixed components	Base salary	Fixed amount stipulated in the members' contracts, paid out in equal monthly amounts	
	Fringe benefits	Customary insurance premiums, housing expenses, school fees, anniversary bonuses, and the use of a company car	
	Post-employment benefits	Appointed before 2012 (Legacy benefit Mr. Klenk): <ul style="list-style-type: none"> <li>■ Type: Defined benefit plan</li> <li>■ Amount: 30% of the last base salary received</li> <li>■ Frozen at 2013 level upon current plan's introduction</li> </ul>	Current benefit: <ul style="list-style-type: none"> <li>■ Type: Defined contribution plan</li> <li>■ Amount: Annual contribution of 40% of base salary</li> </ul>
Variable components	Short-term incentive	<ul style="list-style-type: none"> <li>■ Plan type: Performance bonus model</li> <li>■ Performance period: one year</li> <li>■ Performance criteria: EBT margin (weighting: 60%) and revenue (weighting: 40%)</li> <li>■ Cap: 200% of target amount</li> <li>■ Minimum threshold: Paid out only if EBT is positive</li> </ul>	
	Long-term incentive	<ul style="list-style-type: none"> <li>■ Plan type: Performance cash incentive</li> <li>■ Performance period: three years</li> <li>■ Performance criteria:               <ul style="list-style-type: none"> <li>■ Enterprise value on 3-year average (EBT x 9, EBITDA x 7, revenue x 1) for value at start and end date plus net cash and less pension provisions</li> <li>■ ESG (2022 tranche): CO<sub>2</sub> Scope 1 and 2; (2023 tranche onwards): CO<sub>2</sub> Scope 1 and 2, diversity (optional), and another ESG target (optional)</li> </ul> </li> <li>■ The ESG targets will be introduced in stages. ESG targets account for 10% of the target amount for the 2022 tranche, 15% for the 2023 tranche, and 20% from the 2024 tranche onwards</li> <li>■ Minimum threshold for payment: At least 100% of the starting enterprise value</li> <li>■ Cap: 250% of target amount</li> </ul>	
Other contractual provisions	Maximum remuneration pursuant to Section 87a AktG	Chairman of the Executive Board: €2,500,000 Regular members of the Executive Board: €2,200,000	
	Malus and clawback provisions	In the following cases, the Supervisory Board can reduce or demand partial or full refund of variable remuneration: <ul style="list-style-type: none"> <li>■ Wilful breach of a material duty to exercise due care pursuant to Section 93 of the German Stock Corporation Act (AktG), a material contractual duty, or other material principles of conduct and action of the Company, such as those laid out in the Code of Conduct or Compliance policies</li> <li>■ Determination or payment of variable remuneration based on incorrect consolidated financial statements</li> </ul>	

### 3.2. Remuneration structure

In determining the remuneration structure, the Supervisory Board makes sure that variable components make up a significant share of the total remuneration in order to ensure that the incentive structure is strong and that executives' pay matches their performance. The Supervisory Board also makes sure that long-term incentives make up a larger share than short-term incentives so that the focus is on KRONES' long-term interests and sustainability.

The Supervisory Board has set target bonus amounts for each of the variable components – that is, for the short-term incentive and the long-term incentive – to be paid upon 100% achievement of the target. For the short-term incentive, the target amount is three months' salary. The target amount for the long-term incentive is 5.4 months' salary. Thus, the remuneration structure for a financial year is as follows, assuming 100% target achievement:

	Financial year n	Financial year n + 1	Financial year n + 2
approx. 59%	Base salary		
approx. 15%	Short-term Incentive		
approx. 26%	Long-term Incentive		

The sum of fixed components, i.e. base salary plus fringe benefits and expenses for post-employment benefits, and the target amounts for the variable components equals the total target remuneration of the Executive Board members. Of course, the expenses for fringe benefits and post-employment benefits will vary somewhat from year to year. Fringe benefits usually account for between 1% and 4% of the total target remuneration while post-employment benefits typically make up 17% to 21%.

## 4. The remuneration system for the Executive Board in detail

In the following, all fixed and variable components of Executive Board remuneration are explained in detail.

### 4.1. Fixed components

#### 4.1.1. Base salary

The base salary is a fixed amount stipulated in the members' contracts, which is paid out in equal monthly amounts. The amount of the base salary of the individual members of the Executive Board is determined based on the respective member's areas of responsibility and is reviewed on a regular basis.

#### 4.1.2. Fringe benefits

The members of the Executive Board receive fringe benefits which are essentially customary insurance premiums, housing expenses, school fees, anniversary bonuses, and the use of a company car. These benefits are taxed in accordance with applicable tax rules. In addition, the Supervisory Board has the right to grant to new members of the Executive Board special payments to offset a reduction in pay compared to a previous employment relationship or to cover relocation costs, on an individual basis in their individual contracts.

#### 4.1.3. Post-employment benefits

Members of the Executive Board are entitled to post-employment benefits.

These are contribution-based plans under a system that was introduced in 2014. Annual contributions in the amount of 40% of the respective member's base salary are paid into an external matching reinsurance policy for pension liabilities. There, they accrue annual interest until the benefits fall due, at the rate guaranteed when the policy was established plus any annual investment returns. The benefits from the reinsurance policy are pledged to the members of the Executive Board and guaranteed against insolvency. Post-employment pension benefits are granted when the member reaches the age of 62 and only after the member leaves the Executive Board. Executive Board members can choose to receive a lump-sum payout of the post-employment benefits instead of annuity-based payments. Executive Board members may elect to receive supplemental benefits for permanent disability and/or a widow(er)'s pension.

For members of the Executive Board who entered the board before 2012, benefit commitments exist under a defined benefit plan. The benefit equals 30% of the last base salary received. With the introduction of the contribution-based plan, these commitments were frozen at the 2013 level. The commitments include post-employment, permanent disability, and surviving dependent benefits. Here, too, post-employment benefits are granted after the member reaches the age of 62 and leaves the Executive Board. If a member of the Executive Board leaves the Company before reaching the age of 62 for reasons of permanent disability or because the employment contract is terminated or not renewed, the amount of the pension entitlement in relation to the Company is reduced by a certain percentage for each calendar year up to age 62; the percentage is determined in the individual's contract. If an Executive Board member dies, the member's spouse receives the full amount of the annuity that would have been owed to the Executive Board member for the first six months following the member's death. Thereafter, the widow(er)'s annuity is reduced to 70% of that benefit amount.

For some individual members of the Executive Board, part of their current pay may be converted into contributions toward post-employment benefits in the form of direct insurance, pension fund, or provident fund under a deferred compensation agreement. Most of the agreements date back to the time before the members joined the Executive Board and were continued after the members' appointment to the Executive Board. For members of the Executive Board who started working for the Company before the year 2000, legacy benefit commitments exist from the time before they joined the Executive Board, under a collective direct commitment. These were continued after their appointment to the Executive Board, up until 2014. With the introduction of the current direct commitment system, these benefits were frozen at 31 December 2013, as were those of the workforce at large.

#### 4.2. Variable components

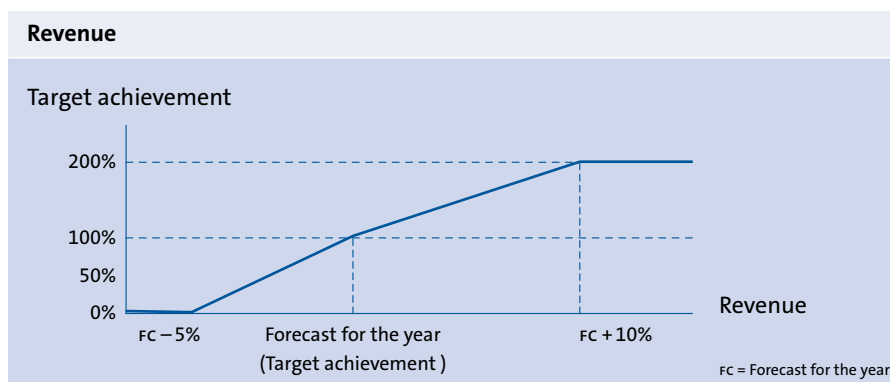
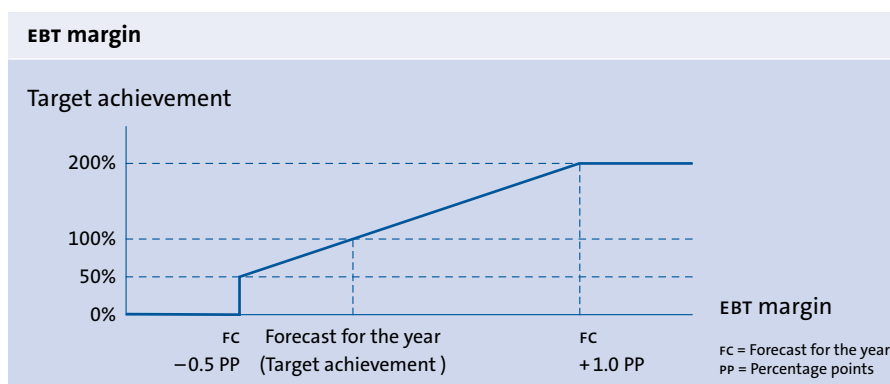
The variable components of remuneration consist of a short-term incentive and a long-term incentive. For these, the Supervisory Board has defined financial and non-financial performance criteria that serve as metrics of Executive Board members' performance and as the basis for determining the actual amount of variable remuneration at the end of the respective performance period. The performance criteria are derived from the Company's strategy and place the focus on the Company's profitable growth, increasing the enterprise value for the long-term, and implementing important sustainability goals. The Supervisory Board consistently takes a pay-for-performance approach when determining the specific targets for the individual performance criteria. All performance criteria are clearly measurable and are assigned ambitious targets.

##### 4.2.1. Short-term incentive

The short-term incentive is structured on a target bonus model. The target amount – that is, the payout for 100% target achievement – is three months' salary. The Supervisory Board has defined the performance criteria as EBT margin weighted at 60% and revenue weighted at 40%. This establishes a clear incentive for achieving profitable growth.

<b>EBT margin</b> (60%)	Earnings before taxes (EBT) are an important earnings indicator. It is from EBT that the group pays taxes and dividends and makes investments and capital expenditures to implement measures decided by the Executive Board, expand our global footprint, and optimise our product portfolio. Profitability, measured as the EBT margin, is among KRONES' key targets and parameters. It indicates the Company's return on revenue.
<b>Revenue</b> (40%)	In order to strengthen its market position and utilise economies of scale, KRONES aims to achieve revenue growth above the market average in the medium term. For that reason, revenue is also one of the key performance indicators within the management system.

To measure performance on each of the performance criteria, a target is set at the start of each financial year that is in keeping with the forecast for the year. If the target is reached, the target achievement is 100%. Target achievement for each performance criterion can be between 0% and 200% and is determined based on the difference between the actual results reported in the Company's annual financial statements and the target value, as illustrated in the target achievement curves below.



Threshold and maximum values are set for each of the performance criteria based on the established targets. If the actual results fall considerably short of the targets to the extent that they are below the threshold, target achievement equals 0%. If that is the case for both performance criteria, the short-term incentive may not be paid at all. If the results exceed the targets, target achievement can reach as high as 200%. The level of target achievement follows a linear progression between the threshold, target, and maximum values.

Total target achievement corresponds to the weighted average of target achievement in both performance criteria and can also fall between 0% and 200%. The payout from the short-term incentive is calculated by multiplying the target amount by the total target achievement and is capped at 200% of the target amount. To solidify the pay-for-performance concept of remuneration, the short-term incentive will only be paid out if EBT for the financial year is positive. Payment is made in cash.

Short-term incentive			
Target amount (€) (three months' salary)	X Total target achievement (0%–200%)		=
	EBT margin (0%–200%)	+ Revenue (0%–200%)	Ultimate cash payment (Cap: 200% of target amount)
	Weighting: 60%	Weighting: 40%	

The targets for the performance criteria EBT margin and revenue as well as the actual results achieved and the resulting target achievement are published ex-post in the remuneration report.

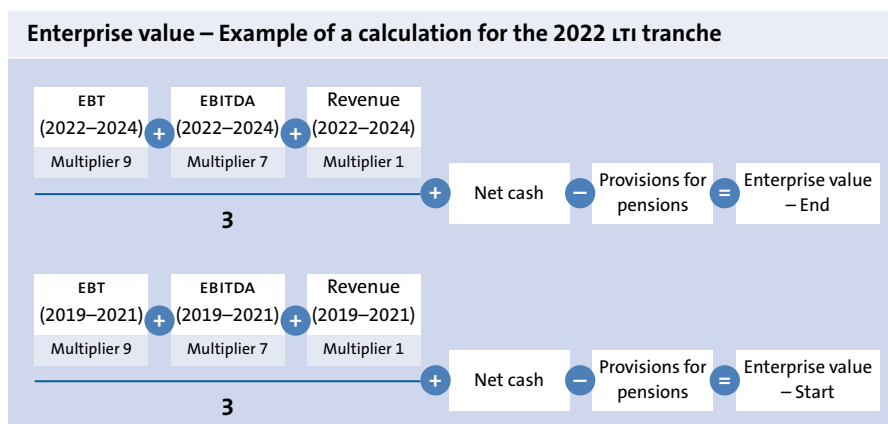
#### 4.2.2. Long-term incentive

The long-term incentive consists of bonuses aimed at rewarding a long-term increase in enterprise value and the sustainable development of KRONES and has a performance period of three years. In all, the target amount for the long-term incentive is 5.4 months' salary and is based on various performance criteria.

Long-term incentive			
Target amount (€) (5.4 months' salary)	X Total target achievement (0%–250%)		=
	Enterprise value (0%–250%)	+ ESG targets (0%–250%)	Ultimate cash payment (Cap: 250% of target amount)
	Weighting: 80%–90%	Weighting: 10%–20%	

To incentivise the Company's long-term development, the Supervisory Board has defined increasing enterprise value as one of the targets for this bonus. Enterprise value – calculated on the basis of the annual averages of EBT (x9), EBITDA (x7), and revenue (x1) plus net cash and less pension provisions (carrying amount less other comprehensive income and deferred taxes) – is the main performance criteria. It also encourages a sustainable increase in enterprise value within the scope of the business strategy.

Target achievement is determined using the 3-year average of enterprise value at the end of the performance period (Enterprise value – End) in relation to the corresponding 3-year average at the start of the performance period (Enterprise Value – Start). For the 2022 tranche, for example, the start and end values are calculated as follows:



Besides financial performance, the Company's sustainable non-financial development is crucial to KRONES' long-term success. To establish KRONES' sustainability goals as derived from our business strategy within the system of Executive Board remuneration, ESG (Environmental, Social, and Governance) targets will be introduced to the long-term incentive successively beginning in financial year 2022. ESG targets account for 10% of the target amount for the 2022 tranche, 15% for the 2023 tranche, and 20% from the 2024 tranche onwards. The Supervisory Board has defined the performance criteria as a CO<sub>2</sub> emissions target (from financial year 2022 onwards) and, optionally, a diversity target (financial year 2023 onwards). The Supervisory Board may also choose an additional ESG target from the 2023 tranche onwards. For each of the performance criteria, target and threshold values are set before the start of each tranche. These values serve as the basis for calculating target achievement at the end of the three-year performance period. Total target achievement can fall between 0% and 250% for each performance criterion.

Successive introduction of ESG targets starting in 2022		
Tranche	Weighting	Reference figures (Target achievement, each 0%–250%)
2022	10%	CO <sub>2</sub> emissions
2023	15%	CO <sub>2</sub> emissions + Diversity (optional) + 3 <sup>rd</sup> ESG target (optional)
2024 onward	20%	CO <sub>2</sub> emissions + Diversity (optional) + 3 <sup>rd</sup> ESG target (optional)

The ultimate cash payout from the long-term incentive is calculated at the end of the three-year performance period by multiplying the target amount by the total target achievement and is capped at 250% of the target amount. Additionally, as a minimum hurdle for payment, the enterprise value at the end of the performance period must equal at least 100% of the enterprise value at the start of the performance period; otherwise, no payment is made for the long-term incentive.

The selected performance criteria and the associated targets and thresholds as well as the actual results achieved and the resulting target achievement are published ex-post in the remuneration report.

#### 4.2.3. Adjustments pursuant to G.11 of the German Corporate Governance Code

The Supervisory Board reserves the right to follow recommendation G.11 of the German Corporate Governance Code and subsequently adjust the actual results used within the performance criteria for the variable remuneration components in very limited cases and within a previously determined framework, in order to take extraordinary developments into account. Such adjustments may take positive or negative extraordinary developments into account that were not known or foreseeable at the time that the target values were determined and were not sufficiently accounted for when the targets were set – for instance, non-budgeted M&A activities or unforeseeable changes to financial reporting requirements. Generally unfavourable market developments or risks associated with the normal conduct of business are expressly excluded from consideration as such extraordinary developments. Any adjustments and their impact on target achievement will be published ex-post in the remuneration report.

## 5. Other contractual provisions

### 5.1. Remuneration caps (limits to variable remuneration and maximum remuneration)

The total remuneration of members of the Executive Board is limited in two ways. First, the short-term incentive is capped at 200% of the target amount and the long-term incentive is capped at 250% of the target amount.

Second, the Supervisory Board has defined a maximum remuneration for members of the Executive Board pursuant to Section 87a (1) sentence 2 number 1 AktG. It is €2.5 million for the Chairman of the Executive Board and €2.2 million for regular members of the Executive Board. The maximum remuneration limits the total payout amount from all fixed (including expenses for post-employment benefits and fringe benefits) and variable components of remuneration for a specific financial year regardless of the time of actual payment. If the maximum remuneration is exceeded, the payments from the long-term incentive (as the last remuneration components to become payable) will be reduced accordingly. These figures are not meant as amounts that the Supervisory Board deems appropriate total target remuneration but rather simply as an absolute upper limit that members of the Executive Board can, at best, achieve if they achieve the highest possible levels of target achievement across the board.



## 5.2. Malus and clawback provisions

The Supervisory Board has the possibility, under certain circumstances, to retain remuneration that has not yet been paid out from the variable components (malus) or to reclaim remuneration that has already been paid out from the variable components (clawback).

In the event of wilful breach of a material duty to exercise due care pursuant to Section 93 AktG, material contractual duties, or other of the Company's material principles of conduct and action, such as those laid out in the Code of Conduct or Compliance policies, the Supervisory Board may reduce variable remuneration that has not yet been paid out in part or in full to zero at its own discretion (malus). In such cases, the Supervisory Board can also reclaim variable remuneration components that have already been paid out either in part or in full (compliance clawback).

Variable remuneration that has already been paid out can likewise be reclaimed if the certified and ratified consolidated financial statements underlying the calculation of the payout amount proves to have been incorrect and the corrected consolidated financial statements yield a lower payout amount (performance clawback).

Any and all rights of the Company to claim damages, in particular pursuant to Section 93 (2) AktG, the Company's right to revoke an appointment pursuant to Section 84 (3) AktG, and the Company's right to terminate the employment agreement without notice remain unaffected by these provisions.

## 5.3. Remuneration-related legal transactions

### 5.3.1. Duration of Executive Board employment contracts

When appointing members of the Executive Board and when determining the duration of Executive Board employment agreements, the Supervisory Board bears in mind the provisions of Section 84 AktG and the recommendations of the German Corporate Governance Code, under which the term of the employment agreements shall not exceed five years – or three years on initial appointment. The employment agreement can only be terminated without notice, for a compelling reason (Cause), within the meaning of Section 626 BGB. Termination with notice is not possible.

If a member of the Executive Board becomes permanently unable to work during the term of the employment agreement, the employment agreement shall terminate at the end of the third month following the month in which the permanent incapacity for work was determined, if it hasn't ended previously for other reasons.

### 5.3.2. Entry after the start of or departure before the end of the financial year

If an Executive Board member's employment relationship begins or ends at any point after the start of the year or before the end of the year, the variable remuneration will be pro-rated.

### 5.3.3. Payments in the event of illness or death

In the event of temporary incapacity to work that results from illness or another reason that is not the fault of the Executive Board member, the difference between the sickness benefits paid out by the health insurance fund and the base salary of the Executive Board member will continue to be paid for twelve months or, at most, until the end of the employment agreement. The variable remuneration remains unaffected if the incapacity to work does not exceed six months of the financial year in question. If the incapacity to work lasts longer than six months of the financial year in question, the variable remuneration for the financial year will be reduced on a pro-rata basis.

If a member of the Executive Board dies during the term of the employment agreement, his or her widow(er) is entitled to the continued payment of his or her base salary for the month of death and the subsequent six months.

### 5.3.4. Benefits granted at contract termination

If the employment agreement is terminated by the Company for a compelling reason pursuant to Section 626 (1) BGB ("for cause"), no severance payment will be made.

In the event of a mutually agreed early termination of the employment agreement without cause, a severance payment may be made of up to a maximum of two years' total remuneration but no more than the remuneration that would be paid for the remainder of the contract's term ("severance cap"). Calculation of the severance cap is to be based on the total remuneration for the completed financial year and, if applicable, the expected total remuneration for the current financial year. The severance amount will count towards any waiting allowances due to a post-contractual non-competition clause.

### 5.3.5. Post-contractual non-competition period

A post-contractual non-competition period of twelve months has been agreed with the members of the Executive Board.

The Company agrees to pay a waiting allowance equal to 50% of the last base salary paid under the contract for the duration of the non-competition period. The Company can waive the non-competition clause in writing at any time before the end of the employ-

ment relationship. If the Company waives the non-competition clause, it will not be required to pay a waiting allowance once six months have passed since the waiver.

#### **5.3.6. Change of Control**

There are no change-of-control clauses that commit to special termination rights or benefits in the case of early termination due to a change of control.

#### **5.3.7. Assumption of Supervisory Board seats or similar mandates**

An Executive Board member's assumption of seats on supervisory boards or similar mandates within the group is deemed to be covered by his or her Executive Board remuneration. In the event that an Executive Board member takes a seat on a supervisory board outside the group, the Supervisory Board of the Company decides whether and to what extent the remuneration paid for those duties is to be offset.

## B. Description of the remuneration system for the members of the Supervisory Board (agenda item 9)

The Supervisory Board of KRONES AG (hereinafter “**Supervisory Board**”) advises and oversees the Executive Board in its management of KRONES AG (hereinafter “**KRONES**” or the “**Company**”). Considering the responsibility that this function entails, the members of the Supervisory Board should receive remuneration commensurate with their duties, the time demands associated with serving on the Supervisory Board, and the situation of the Company. The amount of fixed annual remuneration takes into account the specific role and responsibility of the members of the Supervisory Board. Supervisory Board remuneration that is in line with the market environment should also ensure the Company’s ability to attract and retain qualified candidates for the Supervisory Board, so that the Supervisory Board can carry out its advisory and oversight activities in the best way possible. Overall, the Supervisory Board remuneration thus makes a significant contribution to promoting the business strategy and long-term development of the Company.

The system of remuneration for members of the Supervisory Board is based on statutory requirements and takes into account the provisions of the German Corporate Governance Code. Supervisory Board remuneration of comparable listed companies has also been taken into account.

In keeping with recommendation G.18 of the German Corporate Governance Code, the members of the Supervisory Board should receive only a fixed remuneration so as to strengthen the Supervisory Board’s independence to remain objective and neutral in fulfilling their advisory and monitoring role and to ensure their ability to make independent personnel and remuneration decisions. The extent of the workload and liability risk of the members of the Supervisory Board generally does not develop in parallel with the Company’s commercial success or earnings. Rather, it is often the difficult times, in which the variable remuneration might decrease, that require especially intensive advising and oversight on the part of the members of the Supervisory Board. There are neither performance-based remuneration nor financial or non-financial performance criteria.

The remuneration of the members of the Supervisory Board is governed by Article 15 of the Company’s articles of association. The amount of Supervisory Board remuneration proposed under agenda item 9 differs from the existing policy only in the proposed amendment to Article 15 (4). Under it, the Chair of the Audit and Risk Management Committee would in future receive additional remuneration of €14,000.00 instead of the current €7,000.00. This is to account for the recommendation under G.17 of the German Corporate Governance Code, which states that remuneration of members of the Supervisory Board shall take appropriate account of the larger time commitment of the Chair of committees. Moreover, Article 15 (2) and the new Article 15 (5) of the Company’s articles of association should further clarify the modalities of payment of reimbursement and remuneration.

The adjusted remuneration of the members of the Supervisory Board proposed to the Annual General Meeting of the Company for approval under agenda item 9 would apply retroactively to 1 January 2021.

### **Components, amount, and structure of Supervisory Board remuneration**

In keeping with the prevailing practice among German companies and recommendation G.18 of the German Corporate Governance Code, the remuneration of the members of the Supervisory Board consists purely of fixed remuneration. In addition, the members of the Supervisory Board receive additional remuneration for membership in special committees of the Supervisory Board as well as reimbursement of expenses and additional benefits. Fixed remuneration thus always makes up a relative share of 100% of total remuneration.

#### **1. Fixed remuneration**

Each member of the Supervisory Board shall receive a fixed remuneration of €35,000.00 per annum, payable after the end of each financial year. In keeping with recommendation G.17 of the German Corporate Governance Code, which states that the large time commitment of the Chair and the Deputy Chair should be taken into account, the Chair of the Supervisory Board shall receive two and one-half times and the Deputy Chair of the Supervisory Board shall receive one and one-half times the fixed remuneration cited above.

#### **2. Reimbursement of expenses**

Expenses shall be reimbursed either by payment of a lump sum amount of €1,500.00 for each attended meeting or, if the expenses exceed €1,500.00, by payment on the basis of receipts showing the actual costs. Expenses shall also be reimbursed for meetings attended or resolutions made by the Supervisory Board by telephone or video conference. If multiple meetings take place on a single day, reimbursement of expenses will be paid only once.

#### **3. Additional benefits**

The Company shall reimburse each member of the Supervisory Board for the value added tax (VAT) due on the remuneration received. It shall also provide the members of the Supervisory Board with insurance cover in the form of a civil liability insurance policy (D&O insurance) to cover the statutory liability arising from their activity as members of the Supervisory Board.

#### **4. Remuneration membership in special committees**

Members of the Supervisory Board who belong to special committees within the Supervisory Board shall receive additional annual remuneration of €7,000.00 and the flat-rate reimbursement for expenses for every meeting attended or committee resolution reached via phone or video conference (see item 2 above). Effective 1 January 2021 the

Chair of the Audit and Risk Management Committee should receive additional remuneration of €14,000.00 instead of the current €7,000.00. Membership in more than one special committee is not compensated separately with additional remuneration.

### **Procedure for determining, implementing, and revising the remuneration system for the Supervisory Board**

The Annual General Meeting resolves on approval of the remuneration system for members of the Supervisory Board at the proposal of the Executive Board and the Supervisory Board at least once every four years. If the Annual General Meeting does not approve the remuneration system, a revised remuneration system shall be presented to the next Annual General Meeting, at the latest.

The Executive Board and the Supervisory Board always review the remuneration system for members of the Supervisory Board before proposing it to the Annual General Meeting. Here, too, the Executive Board and Supervisory Board may seek the advice of an external independent remuneration expert.

Any conflicts of interest in the review of the remuneration system are counteracted by the statutory assignment of competence since sole decision-making power on Supervisory Board remuneration is assigned to the Annual General Meeting pursuant to Section 113 AktG. In addition, the general rules of the Supervisory Board with respect to conflicts of interest apply, under which the Supervisory Board must report to the annual general meeting on any conflicts of interest that arise and their handling.

### **Remuneration-related legal transactions, term of office, dismissal**

No remuneration-related legal transactions within the meaning of Sections 87a (1) sentence 2 number 8 and 113 (3) sentence 3 AktG have been made with members of the Supervisory Board.

Unless the Annual General Meeting resolves on a shorter term when electing individual shareholder representatives, the members of the Supervisory Board are elected for a period that ends at the close of the annual general meeting that resolves on the ratification of the acts of the Board for the fourth financial year following the start of their term in office. The financial year that is underway at the start of the term in office is not to be included in this calculation. Members of the Supervisory Board may be dismissed subject to the relevant provisions of the law. They may also resign from office prematurely without cause by giving one month's notice in writing to the Chair of the Supervisory Board or to the Executive Board. The right to resign from office for cause shall remain unaffected.

No further remuneration is paid in the event of resignation and there is no provision regarding remuneration after the term of office. Members of the Supervisory Board who belonged to the board or any of its committees for only a portion of the financial year receive pro-rated remuneration. The members of the Supervisory Board shall receive one twelfth of the remuneration for each month or part thereof of their activity. The same applies if a member of the Supervisory Board withdraws from a function involving increased remuneration.

## IV. Further details and instructions for the meeting

### 1. Total number of shares and voting rights

The Company's share capital at the time of this notice convening the Annual General Meeting amounts to €40,000,000.00. It is divided into 31,593,072 ordinary shares. Each share entitles its holder to one vote in the Annual General Meeting. The Company holds no treasury shares. Thus, at the time of the convening of the Annual General Meeting, the 31,593,072 ordinary shares yield a total of 31,593,072 votes.

### 2. Conducting the Annual General Meeting as a Virtual AGM without the physical presence of shareholders and their proxies; Online Service

With the Supervisory Board's approval, the Annual General Meeting will be held as a virtual AGM without the physical presence of the shareholders or their proxies (with the exception of the Company-appointed proxies) in accordance with Section 1 (1) and (2) of the Act on Measures in Corporate, Cooperative, Association, Foundation and Home Ownership Law to Combat the Effects of the COVID 19 Pandemic (Article 2 of the Act to Mitigate the Consequences of the COVID 19 Pandemic in Civil, Insolvency, and Criminal Proceedings Law of 27 March 2020, Federal Gazette 2020 I number 14, pages 569 et seq.), as amended by Article 11 of the German Act on the Further Shortening of Residual Debt Relief Proceedings and on the Adaptation of Pandemic-Related Provisions in Company, Cooperative, Association and Foundation Law as well as in Tenancy and Lease Law of 22 December 2020, Federal Gazette 2020 I No. 67, pages 3328 et seq., hereinafter "**COVID-19 Act**"), in conjunction with the Regulation to Extend Measures in Corporate, Cooperative, Association, and Foundation Law to Combat the Effects of the COVID 19 Pandemic of 20 October 2020, Federal Gazette 2020 I No. 48, page 2258.

The entire Annual General Meeting, which will take place at the Company's business premises, will be webcast live in video and audio on 17 Mai 2021, beginning at 2:00 PM (CEST) via the Company's Online Service at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021).

Only those shareholders who have duly registered and provided evidence of their shareholding as described below (see item 3 *Requirements for exercising shareholder rights in the Virtual AGM*) or their proxies can follow the audio and video webcast of the entire Annual General Meeting through the Company's Online Service. Moreover, duly registered shareholders who have duly provided evidence of their shareholding can exercise their voting rights either personally or through properly assigned proxies by electronic postal vote or by granting authorisation to a Company-appointed proxy and ask questions and challenge a resolution of the Annual General Meeting through the Company's Online Service.

Exercise of shareholder rights beyond those mentioned above is not possible within the Virtual AGM. In particular, it is not possible for shareholders or their proxies (with the exception of Company-appointed proxies, who are bound by the shareholder's instructions), to be physically present at the meeting location. The audio and video web-cast of the Annual General Meeting, the granting of voting rights, and the right to ask questions and challenge resolutions do not constitute entitlement of shareholders and proxies to participate in the Annual General Meeting by way of electronic communication within the meaning of Section 118 (1) sentence 2 AktG (no electronic participation).

The Online Service will be available to shareholders who have duly registered and provided evidence of their shareholding and their proxies on the Company's website at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021) beginning at midnight (0:00 CEST), the start of the day 26 April 2021. To use the Online Service, they must log in with the credentials they receive along with their access card for the Company's Online Service. The various options for exercising shareholder rights in the Virtual AGM will then appear on the user interface of the Company's Online Service. Shareholders can find additional details on using the Company's Online Service and the terms of registration and use in the information sheet provided there.

### 3. Requirements for exercising shareholder rights in the Virtual AGM

Only those shareholders who have registered with the Company on time in text form in German or English prior to the Annual General Meeting and provided evidence of their shareholding on time are entitled to follow the Virtual AGM via the Company's Online Service and exercise shareholder rights, voting rights in particular, in the Virtual AGM. Verification of share ownership issued in text form by the last intermediary pursuant to Section 67c (3) of the German Stock Corporation Act (AktG), which can be transmitted to the Company directly by the last intermediary, shall suffice as evidence. The evidence of shareholding must refer to the start of the day 26 April 2021 (midnight 00:00 CEST) ("**Record Date**").

Evidence of shareholding and registration must be received by the Company no later than the end of the day 10 May 2021 (midnight 24:00 CEST) at the following address:



KRONES Aktiengesellschaft  
c/o C-HV AG  
Gewerbepark 10  
92289 Ursensollen, Germany

or

Fax: +49 9628 92 99-871

oder

E-mail: [anmeldestelle@c-hv.com](mailto:anmeldestelle@c-hv.com)

Once their registration and evidence of shareholding are duly received by the Company, shareholders will be sent – instead of the usual admission tickets – access cards for the Company's Online Service with the personal login credentials (access card number and access code) needed in order to exercise shareholder rights in the Virtual AGM. We kindly ask shareholders to ensure that they register and submit evidence of their shareholding to the Company as early as possible.

#### 4. Significance of the Record Date

The Record Date is the date that determines whether shareholders are entitled to exercise shareholder rights in the Virtual AGM. With respect to the exercise of voting rights, in particular voting rights, in the Virtual AGM, only those individuals will be deemed to be shareholders of the Company who owned the share at the Record Date and have submitted evidence hereto in the correct form by the noted deadline. Changes in share ownership after this time have no significance here. Shareholders who did not own any shares on the Record Date, but only purchased them afterward, may only exercise voting rights in the Virtual AGM if they have been granted proxy authorisation by the seller of the shares. Shareholders who have duly registered and submitted evidence of their shareholdings are still entitled to exercise shareholder rights in the Virtual AGM even if they sell their shares after the Record Date. The Record Date has no impact on the ability to sell shares and is not a relevant date for any dividend entitlement.

## 5. Procedure for voting by electronic postal vote

Shareholders can cast their votes electronically (“**electronic postal voting**”) without participating in the meeting. To do so, shareholders must duly register and submit evidence of shareholding (see item 3 above, Requirements for exercising shareholder rights in the Virtual AGM). Voting by way of electronic postal voting is possible only via the Company’s Online Service at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021).

Shareholders can also exercise their voting rights outside the Company’s Online Service by issuing proxy authorisation and instructions to the Company-appointed proxies by way of the forms provided for this purpose (see item 7 *Voting by Company-appointed proxy*).

Voting by way of the Company’s Online Service at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021) is available beginning on 26 April 2021 (0:00 CEST) up until the start of voting in the Virtual AGM on 17 May 2021. Votes cast through the Company’s Online Service can be changed or withdrawn via the Company’s Online Service up until the start of voting in the Virtual AGM on 17 May 2021. Shareholders can find details on voting through the Company’s Online Service in the information sheet and terms of use provided there. In the case of electronic postal voting, a clear, unequivocal vote must be indicated for each agenda item. If the components of an agenda item are to be voted on individually without notification in advance of the Annual General Meeting, votes that were submitted for the agenda item in question will be deemed to apply as votes for each component that is voted on individually.

Additional instructions on electronic postal voting are printed on the access card for the Company’s Online Service, which will be sent to duly registered shareholders, and published on the Company’s website at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021).

## 6. Procedure for voting by proxy

Shareholders may have their shareholder rights, in particular voting rights, within the Virtual AGM exercised by proxy, e.g. by an intermediary, a shareholders’ association, proxy advisor, or another entity of their choosing. If the shareholder authorises more than one person, the Company may reject one or more of them.

Granting, revocation, and evidence of proxy authorisation must be submitted to the Company in text form (pursuant to Section 126b BGB) or via the online form provided on the Company’s Online Service at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021).

Intermediaries within the meaning of Section 67a (4) AktG, shareholders’ associations, proxy advisors, or entities treated as equivalents under Section 135 (8) AktG may stipulate different requirements with respect to their own appointment as proxies. It is up to

shareholders to inquire about such possible different requirements. However, violation of these and certain other requirements under Section 135 AktG for granting proxy authorisation to intermediaries within the meaning of Section 67a (4) AktG, shareholders' associations, proxy advisors, or entities treated as equivalents under Section 135 (8) AktG does not impact the effectiveness of the vote (Section 135 (7) AktG).

Proxies likewise cannot participate in the Annual General Meeting physically or by electronic communication pursuant to Section 118 (1) sentence 2 AktG. They can only exercise the voting rights of the shareholders they represent, either by way of electronic postal vote or by granting (sub-) proxies to Company-appointed proxies, who are bound by the shareholder's instructions.

A form for granting proxy authorisation is printed on the access card for the Company's Online Service that is sent to shareholders who register on time and in due form as described above. The form for granting proxy authorisation is also available for download on the Company's website at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021).

Proxy authorisation can be granted to the proxy directly or granted or substantiated in communication with the Company. If proxy authorisation is to be granted, revoked, or substantiated with the proxy directly, notification must be communicated to the Company by one of the following means. For organisational reasons, such authorisation must be communicated no later than the end of the day 16 May 2021 (24:00 CEST).

KRONES Aktiengesellschaft  
c/o C-HV AG  
Gewerbepark 10  
92289 Ursensollen, Germany

or  
Fax: +49 9628 92 99-871

or  
E-mail: [anmeldestelle@c-hv.com](mailto:anmeldestelle@c-hv.com)

Granting or revocation of proxy authorisation may also be done via the online form provided on the Company's Online Service at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021) up until the start of voting in the Virtual AGM on 17 May 2021. It is also possible to revoke or change a proxy authorisation granted previously in text form (Section 126b BGB) or via the Company's Online Service up until voting begins in the Virtual AGM on 17 May 2021. Shareholders can find details on granting and revoking proxy authorisation using the Online Service in the information sheet and terms of use provided there.

If multiple different statements regarding the granting or revocation of proxy authorisation via different channels are received by the Company and if it is not clear to the Company which of these statements is the most recent, the statements will be treated as binding in the following order: (1) Company's Online Service, (2) e-mail, (3) fax, and (4) paper form.

In order for the proxy to exercise shareholder rights in the Virtual AGM via the Company's Online Service, the proxy must receive a separate access code from the shareholder. The use of the access data by the proxy is also deemed to be proof of authorisation. No further proof of authorisation to the Company in text form is required.

Even if rights are to be exercised by proxy, the shareholder must still register and provide proof of their shareholdings in proper form and on time in accordance with the terms stated above. The above does not affect the shareholder's right to appoint a proxy after having registered and provided proof of shareholdings – as long as the deadline for appointing a proxy is met.

## 7. Voting by Company-appointed proxy

We offer our shareholders the possibility to delegate their voting authority to proxies appointed by the Company, who then vote solely in accordance with the respective shareholder's instructions. These Company-appointed proxies must be given instructions on how the votes are to be cast on each item in addition to proxy authorisation. They cannot vote in accordance with their own discretion but rather must vote solely on the basis of the shareholder's instructions. If no explicit instructions are given or if the instructions given are contradictory or unclear, the Company-appointed proxy will abstain from voting on the corresponding item. The same applies to unexpected proposals brought up during the meeting. If the components of an agenda item are to be voted on individually without notification in advance of the Annual General Meeting, instructions that were given for the agenda item in question will be deemed to apply as instructions for each component that is voted on individually. Please note that the Company-appointed proxies will not accept requests to speak, ask questions, submit counter-motions, or make statements either before or during the Annual General Meeting and – with the exception of exercising voting rights – will not exercise any other shareholder rights.

Granting of proxy authorisation for Company-appointed proxies and giving voting instructions must be done in text form (Section 126b BGB) or via the online form provided on the Company's Online Service at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021).

The same applies to changes to or revocation of proxy authorisation or voting instructions. The form for granting proxy authorisation and giving voting instructions to Company-appointed proxies, along with relevant information, is printed on the access card for the Company's Online Service that is sent to shareholders who register on time and in due form as described above and duly provide evidence of shareholding. These documents are also available for download on the Company's website at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021).

If proxy authorisation of Company-appointed proxies, along with voting instructions, is to be granted or revoked, notification must be communicated to the Company by one of the following means. For organisational reasons, such authorisation must be received no later than the end of the day 16 May 2021 (24:00 CEST).

KRONES Aktiengesellschaft  
c/o C-HV AG  
Gewerbepark 10  
92289 Ursensollen, Germany

or

Fax: +49 9628 92 99-871

or

E-mail: [anmeldestelle@c-hv.com](mailto:anmeldestelle@c-hv.com)

Granting of proxy authorisation to Company-appointed proxies, along with voting instructions, or their revocation may also be done via the online form provided on the Company's Online Service at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021) before and during the Virtual AGM until voting begins in the Virtual AGM. The "Proxy Authorisation and Instructions" (*Vollmacht und Weisung an die Stimmrechtsvertreter erteilen*) button in the Company's Online Service is provided for this purpose. It is also possible to revoke or change a proxy authorisation, with voting instructions, previously granted to Company-appointed proxies in text form (Section 126b BGB) or via the Company's Online Service until this point in time. Shareholders can find details on issuing and revoking proxy authorisation and instructions to a Company-appointed proxy using the Company's Online Service in the information sheet and terms of use provided there.

If the Company receives both a vote cast by electronic postal voting and a proxy authorisation with voting instructions to Company-appointed proxy for one and the same share and neither is revoked by the shareholder, only the vote cast by electronic postal voting will be counted. Moreover, if multiple different statements regarding the granting or revocation of proxy authorisation or issuance of instructions via different

channels are received by the Company and if it is not clear to the Company which of these statements is the most recent, the statements will be treated as binding in the following order: (1) Company's Online Service, (2) e-mail, (3) fax, and (4) paper form.

If Company-appointed proxies are granted proxy authorisation, they must be given instructions on how the votes are to be cast on each item. Without such instructions, the proxy authorisation is not valid. Even if rights are to be exercised by a Company-appointed proxy, the shareholder must still register and provide proof of their shareholdings in proper form and on time in accordance with the terms stated above.

#### **8. Shareholders' right to ask questions under Section 1 (2) sentence 1 number 3, sentence 2 of the COVID-19 Act; Shareholders' right to information under Section 131 AktG**

Shareholders who have duly registered and provided evidence of shareholding have the right to ask questions electronically (Section 1 (2) sentence 1 number 3, sentence 2 of the COVID-19 Act).

On the basis of Section 1 (2) sentence 1 number 3, sentence 2 half-sentence 2 of the COVID-19 Act, the Executive Board, with the approval of the Supervisory Board, has decided that, for organisational reasons, questions must be submitted no later than the end of the day 15 May 2021 (24:00 CEST) via the online form provided for this purpose in the Company's Online Service at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021). No consideration will be given to questions submitted by other means or after this deadline. The Executive Board will decide at its sole and dutiful discretion how to respond to questions. There is no opportunity to ask follow-up questions about the answers given by the Executive Board.

Moreover, shareholders and their proxies do not have the right to information under Section 131 AktG or the right to speak or ask questions in and during the Virtual AGM.

#### **9. Shareholder rights under Sections 122 (2), 126 (1), and 127 AktG in conjunction with Section 1 (2) sentence 3 COVID-19 Act**

Shareholders' rights with respect to the Virtual AGM include the following pursuant to Sections 122 (2), 126 (1), and 127 AktG in conjunction with Section 1 (2) sentence 3 COVID-19 Act. Additional information on these is also available on the Company's website at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021).

***Requests for additional agenda items pursuant to Section 122 (2) AktG***

Pursuant to Section 122 (2) AktG, shareholders jointly representing at least one-twentieth of the share capital or an amount of the share capital corresponding to at least €500,000.00 may request that items be placed on the agenda of the annual general meeting and published.

The petitioners must furnish evidence that they have been the holders of the shares for at least 90 days prior to receipt of the request and that they will continue to hold the shares until the time at which the Executive Board takes a decision on the request, whereby the period of shareholding shall be calculated on the basis of Section 70 AktG. The day of receipt of the request shall not be counted. Shifting of dates from a Sunday, Saturday or a holiday to a preceding or following working day shall not be an option. Sections 187 to 193 of the German Civil Code (BGB) shall not be applied analogously.

Each request for a new agenda item must be accompanied by an explanation or a formal resolution proposal.

The request must be addressed to the Executive Board of KRONES AG in writing and must be received by the Company at least 30 days prior to the Annual General Meeting (that is, no later than midnight 24:00 CEST, the end of the day 16 April 2021). Please send such requests to the following address:

KRONES Aktiengesellschaft  
Executive Board (Vorstand)  
Böhmerwaldstrasse 5  
93073 Neutraubling, Germany

New agenda items that are required to be made public will, without undue delay upon receipt, be published in the German Federal Gazette (Bundesanzeiger) and submitted to those media for publication which may be presumed to disseminate the information throughout the European Union if they have not already been included in this notice. They will also be made available on the Company's website at [www.krones.com/haupt-versammlung2021](http://www.krones.com/haupt-versammlung2021) and communicated to shareholders pursuant to Section 125 (1) sentence 3 AktG.

Permissible motions that are submitted in proper form as requests for additional agenda items will be treated in the Virtual AGM as if they were submitted at the meeting itself, provided that the submitting shareholder has duly registered and provided evidence of shareholding for the Virtual AGM.

***Counter-motions and election nominations by shareholders pursuant to Sections 126 (1) and 127 AktG in conjunction with Section 1 (2) sentence 3 COVID-19 Act***

Every shareholder has the right to submit to the Company counter-motions to proposals put forward by the Executive Board and/or the Supervisory Board relating to certain agenda items pursuant to Section 126 (1) AktG and to make election nominations pursuant to Section 127 AktG. Nominations need not be supported by a statement of grounds. Counter-motions and election nominations must be sent to the following address, fax, or e-mail address:

KRONES Aktiengesellschaft  
Investor Relations  
Böhmerwaldstrasse 5  
93073 Neutraubling, Germany

or

Fax: +49 9401 70-2762

or

E-mail: [hauptversammlung@krones.com](mailto:hauptversammlung@krones.com)

No consideration will be given to counter-motions or election nominations sent to other addresses.

Counter-motions with their statement of grounds and shareholder-submitted election nominations that are received at the above address, fax, or e-mail address on time, that is, by midnight 24:00 CEST, the end of the day 2 May 2021 and that must be made available will be posted, together with the shareholders' names and any statements of grounds and any additional information required under Section 127 sentence 4 AktG, on the Company's website at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021) without undue delay upon receipt. Management's comments, if any, will also be published on the above website.

The Company may opt not to publish a counter-motion and its statement of grounds or an election nomination if the prerequisites under Section 126 (2) (in conjunction with Section 127 sentence 1) AktG are met. For example, the statement of grounds for a counter-motion need not be published if its total length exceeds 5,000 characters. Pursuant to Section 127 sentence 3 AktG, the Executive Board need not communicate nominations if they do not contain the information required by Section 124 (3) sentence 4 and Section 125 (1) sentence 5 AktG.



Counter-motions and election nominations cannot be made during the Virtual AGM. Counter-motions and election nominations from shareholders that must be made public as above pursuant to Section 126 or Section 127 AktG shall be deemed to have been made in the Virtual AGM pursuant to Section 1 (2) sentence 3 COVID-19 Act if the shareholder making the counter-motion or election nomination is duly registered for the Virtual AGM and has duly provided evidence of shareholding.

#### 10. Challenging resolutions of the Annual General Meeting under Section 1 (2) sentence 1 number 4 COVID-19 Act

In deviation from Section 245 number 1 AktG, shareholders who have duly registered for the Virtual AGM and duly provided evidence of shareholding and their proxies may, from the start of the Virtual AGM to its close, submit a challenge to resolutions of the Annual General Meeting, to be recorded in the minutes, without needing to be physically present at the Annual General Meeting via the Company's Online Service at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021), provided that they exercise or have exercised their voting rights under the above provisions. The "Challenge Resolutions of the Annual General Meeting" (*Widerspruch zu Beschlüssen der Hauptversammlung*) button in the Company's Online Service is provided for this purpose. It is not possible to submit challenges in any other way.

#### 11. Information (documents) on the Company's website

The following information is available on the Company's website at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021):

- The content of this Notice of Annual General Meeting
- Information required under Section 1 (1) and (5) of the German Stock Corporation Act (Aktiengesetz – AktG) in conjunction with Article 4 (1) and Annex Table 3 of the Commission Implementing Regulation (EU) 2018/1212 ("EU-IR")
- An explanation of why no resolution is to be made on agenda item 1
- The documents that must be made available to the Annual General Meeting
- The Annual Report of the Company for the financial year 2020, which includes a description of the remuneration system for Executive Board members
- The total number of shares and voting rights at the time of this notice convening the Annual General Meeting
- The forms that can be used to grant proxy authorisation, or to authorise a Company-appointed proxy, who shall then be bound by the shareholder's instructions, and for giving those instructions

- Further information on the shareholder rights mentioned above (to request amendments to the agenda, to make counter-motions and/or election nominations, to obtain information)
- Information sheet and terms of use on the Company's Online Service.

## 12. Data privacy information for shareholders and authorised representatives

When shareholders register for the Annual General Meeting or grant proxy rights, KRONES AG collects personal data on the shareholders and/or their proxies in order to enable the shareholders and proxies to exercise their rights with respect to the Virtual AGM.

In its capacity as a data “controller”, KRONES AG processes personal data in keeping with the provisions of the General Data Protection Regulation (**GDPR**) and all other relevant laws. Detailed information about our handling of personal data and shareholder rights under the GDPR is available on the Company's website at [www.krones.com/hauptversammlung2021](http://www.krones.com/hauptversammlung2021).

Neutraubling, March 2021

KRONES Aktiengesellschaft

The Executive Board



## Contact

KRONES AG

Investor Relations

Böhmerwaldstrasse 5

93073 Neutraubling

Germany

Phone +49 9401 70-1169

E-mail [hauptversammlung@krones.com](mailto:hauptversammlung@krones.com)

Internet [www.krones.com](http://www.krones.com)

