



SALZGITTER AG
People, Steel and Technology

Remuneration Report
for the Executive Board and Supervisory Board
pursuant to § 162 of the German Stock Corpora-
tion Act (AktG) for the financial year 2021

Remuneration report of the Executive Board and the Supervisory Board pursuant to Section 162 of the German Stock Corporation Act (AktG) for the financial year 2021

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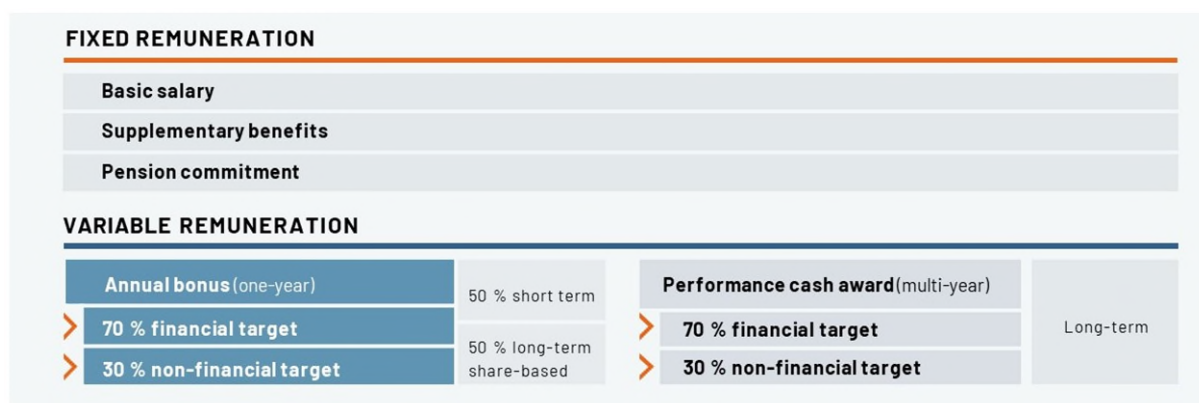
1. Basic components of the Executive Board remuneration system

The Supervisory Board has adjusted the remuneration of the Executive Board, effective from the financial year 2019, to the methodology described in this remuneration report. The remuneration system pursuant to Section 120a (1) of the German Stock Corporation Act (AktG) was submitted to the Annual General Meeting of Shareholders on July 8, 2020, and approved by the majority of 98.56 %. The remuneration system applied to all Executive Board members in the financial year 2021, both current and former.

The remuneration of the members of the Executive Board is determined by their tasks and their own individual performance as well as by the success of the company. The amount of remuneration is based overall on the level customary in the comparable business environment. In the most recent 2017 comparison, the peer group used were companies belonging to the German "MDAX", Deutsche Börse AG's mid-cap index to which Salzgitter AG belonged to at the time. As before, the Supervisory Board considers drawing on this peer group as appropriate.

Executive Board remuneration is made up of fixed remuneration consisting of a basic salary, supplementary benefits and a pension commitment, along with variable remuneration (cf. Figure 1):

Figure 1: Overview of the components of Executive Board remuneration



1.1 Fixed remuneration

1.1.1 Basic salary

The basic salary is granted in the form of an amount of money per year individually agreed between the Supervisory Board and the respective Executive Board member in the Executive Board member's employment contract. The basic salary is to be paid out in twelve identical equal monthly instalments at the end of the month respectively (monthly salary).

1.1.2 Supplementary benefits

Supplementary benefits consist of benefits in kind, such as granting the private use of a company car, expenses for a collective accident insurance, assuming of the costs of medical check-ups, attendance fees for Supervisory Board mandates within the Group, as well as benefits in kind subject to flat-rate taxation.

1.1.3 Pension commitment

The company pension commitments vary:

For the period up until December 31, 2018, all Executive Board members in active service for the company at the time received a commitment for payment of a pension the amount of which depends on the length of service to the Group and is capped at a maximum of 60 % of the fixed basic salary (commitment to pension benefits). Payment can be drawn once the age of 65 has been reached (full year). In respect of Executive Board member Prof. Dr.-Ing. Fuhrmann, this commitment also applies for the period after December

31, 2018. In the context of this commitment, Prof. Dr.-Ing. Fuhrmann will be deemed eligible for payments as if he had already reached the age of 65 if he retires before having reached the age of 65. Prof. Dr.-Ing. Fuhrmann has therefore received the pension benefit he is eligible for since July 2021. The pension commitments in favor of Executive Board members Becker and Kieckbusch existing as of December 31, 2018 were formalized as of this date. As from January 1, 2019, these commitments were supplemented by defined contribution commitments, as described in the following.

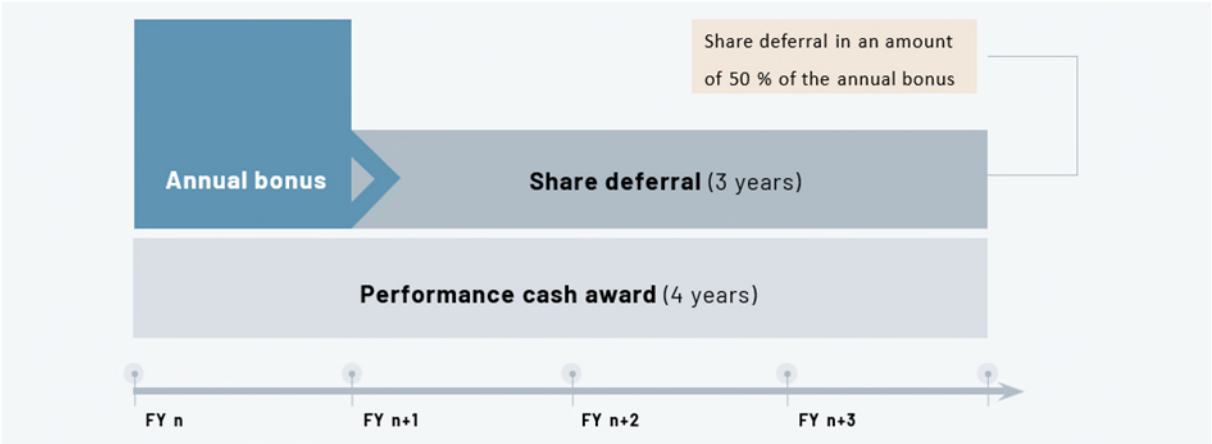
For the period starting January 1, 2019, Executive Board members Burkhard Becker and Michael Kieckbusch, as well as Mr. Groebler as from the date when he took up his employment, received the commitment that the company will make certain amount of money available on a pension account (defined contribution commitment) for each year of Executive Board service. The annual pension contribution currently amounts to k€ 342 for Mr. Groebler and k€ 180 for Messrs Becker and Kieckbusch. In addition, a guaranteed annual interest credit that depends on the respectively valid statutory maximum technical interest rate applicable to the life insurance industry (guaranteed interest rate) in accordance with the actuarial reserve ordinance (DeckRV) will also be taken account of on the pension account. The amount is invested in accordance with the life cycle model defined under the conditions for deferred compensation in the Salzgitter Group (SZAG model), while taking account of the securities determined by the Investment Committee for the company pension scheme within the Salzgitter Group. If higher interest after tax is generated by the funds invested, the amount will be credited when pension payments begin.

If an Executive Board member leaves the service of the company before reaching retirement age under the statutory retirement pension scheme, the Board member will receive the plan assets on the pension account as a one-off retirement lump sum or, upon application, in ten annual instalments. If an Executive Board member leaves the service of the company without having reached retirement age, the Board member will be granted a vested entitlement to the pension account in accordance with the statutory provisions of the German Occupational Retirement Provision Act. Upon request, the Executive Board member will receive early retirement capital, at the age of 62 at the earliest.

1.2 Variable remuneration

Variable remuneration presupposes the achieving of targets. This remuneration consists, on the one hand, of an annual bonus, and of a performance bonus (performance cash award) on the other. A target bonus is agreed in the Executive Board employment contract for the annual bonus, and a target amount for the performance bonus (cf. Figure 2).

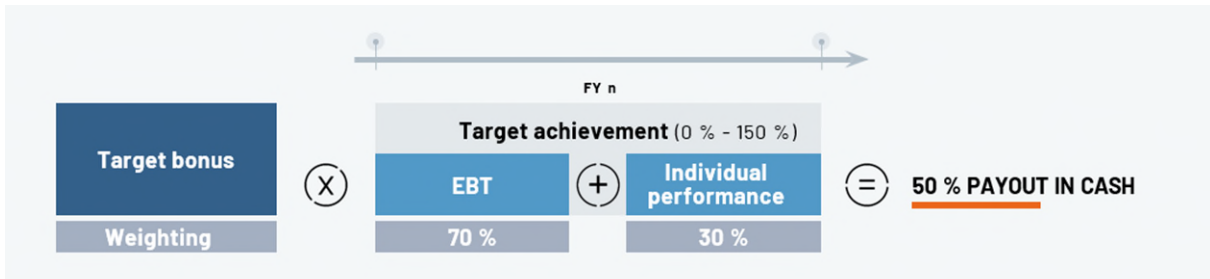
Figure 2: Overview of the variable remuneration components



1.2.1 Annual bonus

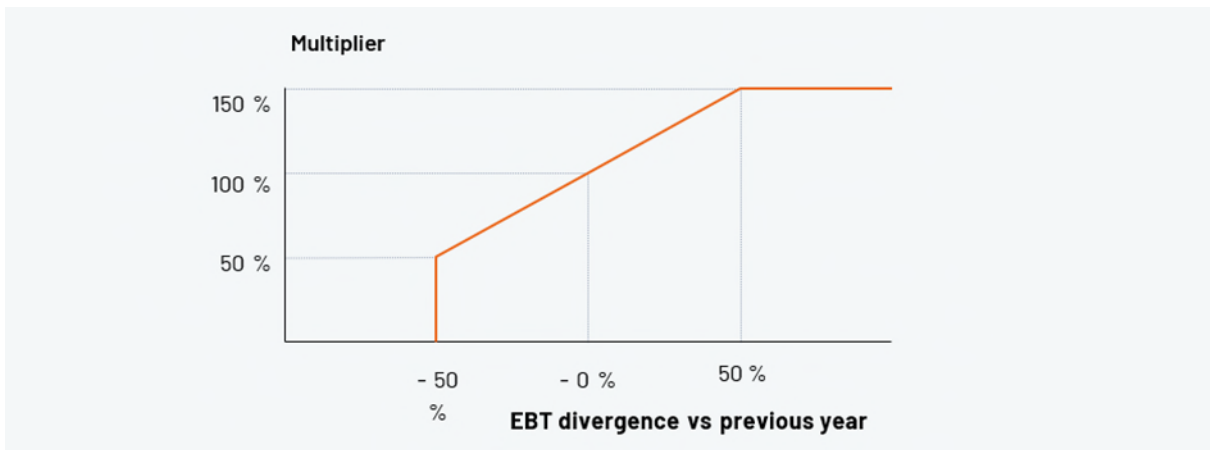
The precondition for the disbursement of an annual bonus is split as follows: 70 % for achieving a financial performance target, measured on the basis of earnings before taxes (EBT), and 30 % for individual performance, measured by qualitative criteria determined by the Supervisory Board at the beginning of each year and pertaining to the respective year (cf. Figure 3).

Figure 3: Annual bonus system



The payout multiplier for the EBT performance target is calculated by comparing the EBT of the respective financial year with the EBT of the preceding financial year (cf. Figure 4). If EBT remains the same compared with the previous year, the multiplier is 100 % of the target bonus agreed in the executive employment contract. If EBT is raised by 50 % compared with the previous year, the maximum multiplier of 150 % is applied. If EBT is -50 % compared with the previous year, the minimum multiplier of 50 % is applied. Linear interpolation is applied if objectives are achieved between the fixed intervals. If the minimum multiplier is not achieved, the multiplier is 0 %. If EBT is negative for the second time in a row, or if EBT in the previous year or in the current financial year is less than € 1 million respectively, the Supervisory Board can determine the degree to which goals have been achieved at their own discretion. The same applies if an exceptional event occurs due to which the Executive Board member receives a higher or lower disbursement amount than he would have been entitled to had this exceptional event not taken place, without this having been warranted by the Board member's performance. If a positive EBT is achieved in the previous financial year and a negative EBT in the current financial year, the multiplier is 0 %.

Figure 4: Bonus curve – EBT target annual bonus

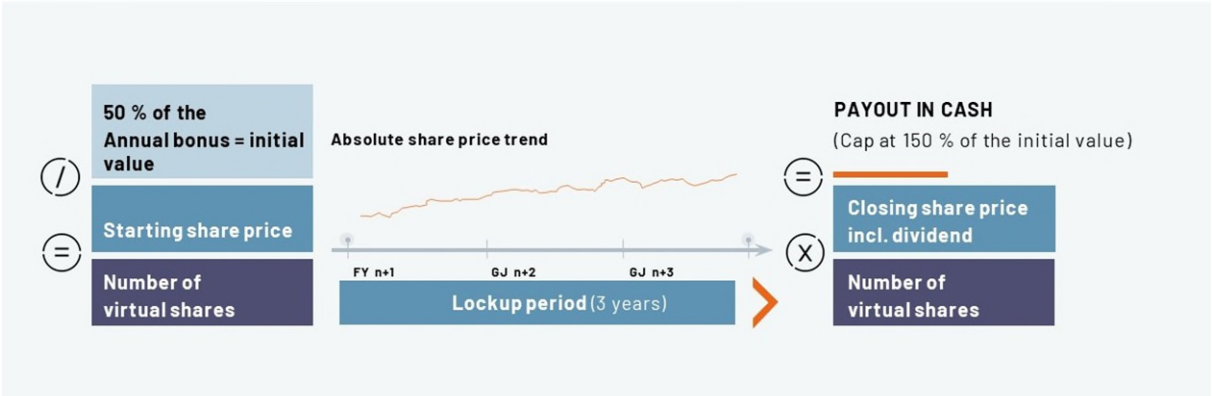


In setting the criteria for individual performance the Supervisory Board may factor in a series of different aspects, such as strategic corporate development, specific projects, occupational safety and employee development. After a financial year has ended, the individual performance is assessed by the Supervisory Board using the predefined criteria. The degree to which targets have been achieved can be determined by the Supervisory Board on a linear basis between 0 % and 150 %.

The annual bonus is paid out at 50 % after the respective financial year has ended (one-year variable remuneration). The remaining 50 % (initial value) of the annual bonus is retained and converted into virtual

shares of the company (share deferral) for a three-year period (lockup period) that commences at the end of the respective financial year (share deferral, cf. Figure 5). The number of virtual shares is calculated from the arithmetic average of the Salzgitter share's Xetra closing price on the Frankfurt Stock Exchange over the last 30 trading days prior to the beginning of the lockup period. Upon expiration of the lockup period, the number of virtual shares are multiplied by the arithmetic average of the Salzgitter share's Xetra closing price on the Frankfurt Stock Exchange over the last 30 days before the end of the lockup period, plus the fictitious dividend payments on the virtual shares, and paid out. The resulting payout amount is capped at 150 % of the initial value.

Figure 5: Share deferral system



In the event of exceptional, unforeseeable developments, the Supervisory Board may reduce the annual bonus at its own discretion.

The annual bonus is structured to be an incentive for implementing the company's strategic direction. In the opinion of the Supervisory Board, a key parameter for measuring the success of the corporate strategy and the company's long-term development consists of the earnings before taxes (EBT) achieved for the respective year. The Supervisory Board has therefore selected the achieving of stable or improved EBT measured against the previous year as the principal performance criterion for granting the annual bonus.

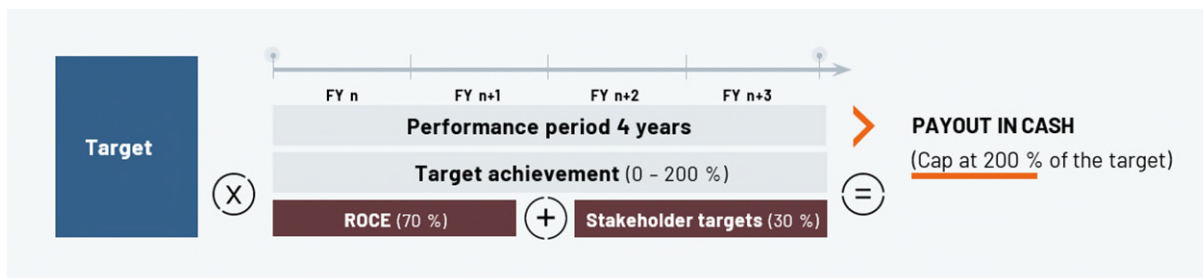
Along with this criterion, the Supervisory Board is of the opinion that non-financial criteria also have an effect on the success of the corporate strategy and the company's long-term good development. The Supervisory Board has therefore defined additional, annual performance criteria for the granting of the annual bonus. The Executive Board remuneration system thus also makes a definitive contribution to promoting the corporate strategy and the long-term development of the company.

Transferring part of the annual bonus to a share deferral component with a lockup period of three years promotes the corporate strategy and the company's long-term development by incentivizing the Executive Board members to increase the enterprise value and by directly aligning the interests of the Executive Board with those of the shareholders, as well as enhancing the company's attractiveness in the capital market. Share deferral therefore promotes the long-term development of the company.

1.2.2 Performance cash award

The precondition for the disbursement of a performance cash award is also split at 70 % for achieving a financial performance target, in this case measured by the return on capital employed (ROCE = EBIT I [= EBT + interest expenses excl. interest portion in transfers to pension provisions]) divided by the sum of shareholders' equity (excl. calculation of deferred tax), tax provisions, interest-bearing liabilities), tax provisions, interest-bearing liabilities (excl. pension provision) as well as liabilities from finance leasing and forfeiting] expressed as an average of a four-year performance period, and at 30 % for achieving stakeholder objectives, set by the Supervisory Board at the beginning of each year for the respective performance period (cf. Figure 6).

Figure 6: Performance cash award system



The average of the ROCE figures achieved after the end of the respective financial years during the performance period is used to calculate the payout amount for the ROCE performance target.

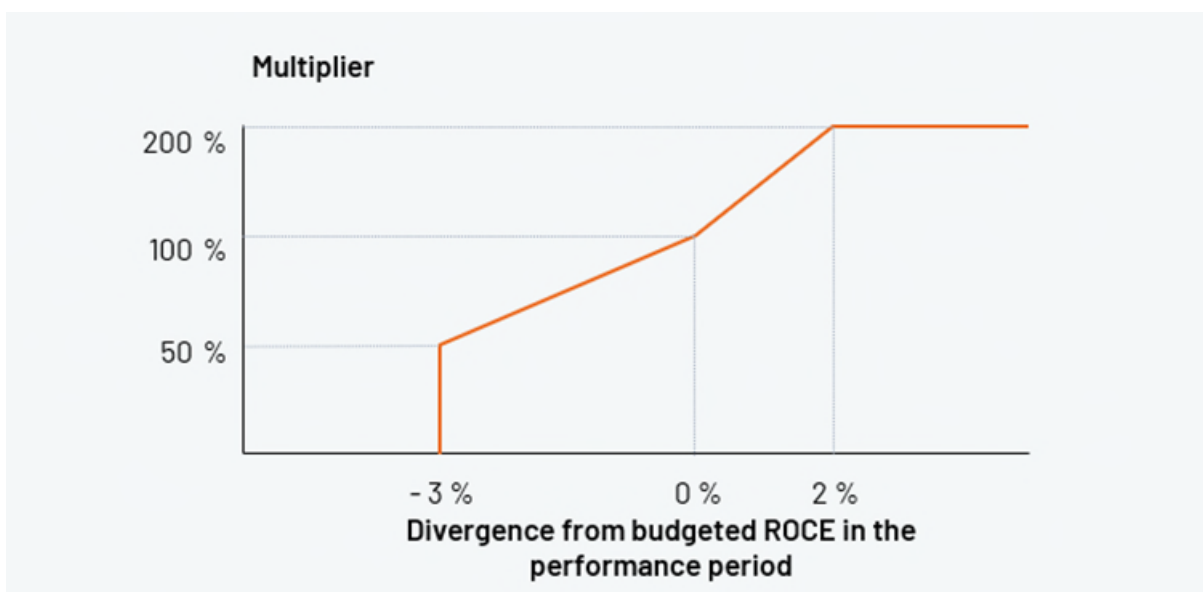
The average of the budgeted ROCE figures of the respective financial years is then deducted from this amount.

The resulting difference between the target figure and actual figure in percentage points is compared with the figures fixed by the Supervisory Board at the start of the respective performance period for a multiplier of 100 % (target figure), of 50 % (minimum figure) and of 200 % (maximum figure) of the target amount agreed in the respective Executive Board member's employment contract, taking account of the general development of business and the economic prospects of Salzgitter AG. Linear interpolation is applied if objectives are achieved between the fixed intervals. If an unusual event or an unusual development results in an Executive Board member receiving a higher or lower payout amount compared with the amount that he would have been entitled to if this event or development had not occurred, without this being attributable to the performance of the respective Executive Board member, the Supervisory Board can raise or lower the payout amount.

If the minimum figure is not reached, the payout multiplier is 0 %. Exceeding the maximum figure will not increase the payout multiplier.

Example: If the target figure for the difference between the average ROCE achieved and the average budgeted ROCE is set at 0 %, with a minimum set at -3 % and a maximum figure of 2 %, the multiplier is 100 % of the target amount assuming that the exact amount of the budgeted ROCE is achieved. If ROCE is one percentage point higher than budgeted, the multiplier will be 150 %. If ROCE is one percentage point lower than budgeted, the multiplier will be 83.33 %

Figure 7: Example of bonus curve – ROCE target performance cash award



In setting the stakeholder objectives the Supervisory Board may factor in a series of different aspects, such as strategic corporate development, specific projects, occupational safety and employee development. Achieving the targets is assessed by the Supervisory Board after the performance period has ended. The degree to which targets have been achieved can be determined by the Supervisory Board on a linear basis between 0 % and 200 %.

The performance cash award is paid out at the end of the respective performance period.

The performance cash award is designed to provide incentives for implementing the company's strategy. One of the Group's key control parameters for the success of the corporate strategy and its long-term successful development is the achieving of return on capital employed (ROCE) that can be considered an indicator of whether and to what extent investments are eligible for implementation to promote sustainable growth. For this reason, the Supervisory Board has selected the achieving of the planned ROCE in the performance period as the principal performance criterion for the performance cash award.

Along with this criterion, the Supervisory Board is of the opinion that non-financial criteria also have an impact on the success of the corporate strategy and the company's long-term sound development. With regard to granting the performance cash award, the Supervisory Board therefore additionally determines stakeholder goals per year. The Executive Board remuneration system thus also makes a definitive contribution to promoting the corporate strategy and the long-term development of the company.

2. Remuneration of the current members of the Executive Board

2.1 Development of business and impact on Executive Board remuneration

In the financial year 2021, the Salzgitter Group delivered a pre-tax profit of € 705.7 million (2020: € -196.4 million), marking the best result in thirteen years. After the previous year that was burdened by the COVID-19 pandemic, almost all Group companies benefited from the strong economic upswing. Counter trends emanated from the increase in the cost of raw materials, and particularly coking coal and electricity, as well as from the impact of disruptions to global supply chains and logistics in the second half of the year. Thanks to the uptrend in steel prices, the Strip Steel and Trading business units made major contributions to the substantial profit improvement. Furthermore, the sections segment reported an outstanding result despite the massive increase in energy prices, and the Technology Business Unit also significantly lifted its pre-tax profit. Based on earnings after taxes of € 586.1 million, return on capital employed is calculated at 16.2% (ROCE; 2020: -3.9%). The successful performance in the financial year 2021 is also reflected in the share price of Salzgitter AG. On December 31, 2021, the share price stood at € 31.42, thereby significantly outperforming the level of € 21.70 posted at year-end 2020.

In accordance with the remuneration system, the gratifying development of all financial ratios directly impacts the achieved and expected amount of the Executive Board's performance-related variable remuneration components. The substantial improvement in the pre-tax profit that rose by more than € 900 million compared with the financial year 2020 has prompted the Supervisory Board, at its own discretion, to determine that, for the purpose of the annual bonus, the performance target related to EBT development has been fully achieved for the annual bonus 2021. The tangible recovery in the share price in 2021, compared with the closing prices of the previous financial year has resulted in an increase in fair value of the virtual shares allocated in the financial years 2019 and 2020 from the respective share deferrals. Ultimately, the unexpectedly high and significantly above budget ROCE of the financial year 2021 has also resulted in an increase in the degree to which targets pertaining to ROCE-related performance target are currently expected to be achieved, in particular of the performance cash award 2020 and 2021.

As the long-term variable remuneration components of share deferral and performance cash award were only anchored in the Executive Board remuneration system with effect from the financial year 2019, and as the lockup and performance periods from the 2019 bonus tranche only end on December 31, 2022, the good

performance in the financial year 2021 does not have any direct effect in terms of the 2021 remuneration granted and owed for these remuneration components.

2.2 Remuneration disclosure

Executive Board remuneration in the 2021 financial year corresponded to the remuneration system approved by the Annual General Meeting of Shareholders on July 8, 2020 (available at <https://www.salzgitter-ag.com/en/company/executive-board/remuneration.html>):

Table 1 shows a breakdown of the remuneration granted and owed to the individual Executive Board members in the financial year 2021, with separate disclosures on their relative share in overall remuneration and comparison with the previous financial year. Along with the basic salaries and the supplementary benefits effectively granted in the respective financial year, the variable remuneration components are shown for each year in which they were earned (one-year variable remuneration – annual bonus (50% cash portion)) and the year in which the lockup period (multi-year variable remuneration – share deferral) and the performance period (multi-year variable remuneration – performance cash award) ends, also if disbursement is only due at a later point in time. Similarly, special compensation is also disclosed in the year to which it pertains, also if disbursement is only at a later point in time.

Table 1: Remuneration granted and owed pursuant to Section 162 of the German Stock Corporation Act (AktG)

In k€	Prof. Dr.-Ing. Fuhrmann Chief Financial Officer from 1996/10/01 until 2011/01/31, Chief Executive Officer from 2011/02/01 until 2021/06/30				Gunnar Groebler Regular member of the Executive Board from 2021/05/17 until 2021/06/30, Chief Executive Officer since 2021/07/01			
	2021		2020		2021		2020	
	absolute	in %	absolute	in %	absolute	in %	absolute	in %
Fixed salary ¹	700	39%	1,140	80%	650	45%	-	-
Supplementary benefits	11	1%	22	2%	27	2%	-	-
Total fixed salary	711	39%	1,162	82%	677	47%	-	-
One-year variable remuneration	Annual bonus (50% cash portion) ^{1,2}							
	375	21%	263	18%	384	27%	-	-
	-	0%	-	0%	-	0%	-	-
Multi-year variable remuneration	Performance cash award							
	-	0%	-	0%	-	0%	-	-
Total variable remuneration	375	21%	263	18%	384	27%	-	-
Special compensation ³	-	0%	-	0%	375	26%	-	-
Pension payments ⁴	723	40%	-	0%	-	0%	-	-
Total remuneration	1,809	100%	1,424	100%	1,437	100%	-	-

¹ The fixed salary and the annual bonus 2021 was calculated for Prof. Dr.-Ing. Fuhrmann, taking account of the compensation payment to be granted for July 2021 under his employment contract for the non-observance of the contractual term of notice. Against the backdrop of the impact of the COVID-19 pandemic and the resulting short-time work in the workforce, Executive Board members Prof. Dr.-Ing. Fuhrmann, Messrs Becker and Kieckbusch voluntarily and individually waived 10% of their monthly gross fixed salary for the six month period from April through September 2020. In the financial year 2021, Mr. Becker was granted an amount of k€60 for temporarily discharging additional duties as head of the Mannesmann Business Unit.

² In the case of the variable remuneration of Prof. Dr.-Ing. Fuhrmann, k€15 was counted toward his remuneration in the financial year 2020 for his service as a member of the Supervisory Board of affiliate Aurubis AG.

³ Mr. Groebler is entitled to special compensation, due and payable in January 2022, to cover salary losses from his former employment relationship.

⁴ The pension payments disclosed for Prof. Dr.-Ing. Fuhrmann consist of a lifelong pension payment amounting to currently k€60 a month, as from July 2021, and an additional lump sum due and payable in January 2022 acquired by way of deferred compensation. As regards the lump sum payout from deferred compensation, the difference between the pension contribution and Prof. Dr.-Ing. Fuhrmann's converted salary components, and thus remuneration of k€363, is disclosed.

Table 1(cont.): Remuneration granted and owed pursuant to Section 162 of the German Stock Corporation Act (AktG)

In k€		Burkhard Becker Chief Financial Officer since 2011/02/01				Michael Kieckbusch Chief Personnel Officer since 2013/02/20			
		2021		2020		2021		2020	
		absolute	in %	absolute	in %	absolute	in %	absolute	in %
Fixed salary ¹		696	65%	604	78%	636	62%	604	76%
Supplementary benefits		28	3%	27	3%	48	5%	47	6%
Total fixed salary		724	68%	631	81%	684	67%	651	82%
	Annual bonus								
One-year variable remuneration	(50% cash portion) ^{1,2}	342	32%	147	19%	342	33%	147	18%
	Share deferral	-	0%	-	0%	-	0%	-	0%
Multi-year variable remuneration	Performance cash award	-	0%	-	0%	-	0%	-	0%
Total variable remuneration		342	32%	147	19%	342	33%	147	18%
Special compensation ³		-	0%	-	0%	-	0%	-	0%
Pension payments ⁴		-	0%	-	0%	-	0%	-	0%
Total remuneration		1,066	100%	778	100%	1,026	100%	798	100%

¹ The fixed salary and the annual bonus 2021 was calculated for Prof. Dr.-Ing. Fuhrmann, taking account of the compensation payment to be granted for July 2021 under his employment contract for the non-observance of the contractual term of notice. Against the backdrop of the impact of the COVID-19 pandemic and the resulting short-time work in the workforce, Executive Board members Prof. Dr.-Ing. Fuhrmann, Messrs Becker and Kieckbusch voluntarily and individually waived 10% of their monthly gross fixed salary for the six month period from April through September 2020. In the financial year 2021, Mr. Becker was granted an amount of k€ 60 for temporarily discharging additional duties as head of the

² In the case of the variable remuneration of Prof. Dr.-Ing. Fuhrmann, k€ 15 was counted toward his remuneration in the financial year 2020 for his service as a member of the Supervisory Board of affiliate Aurubis AG.

³ Mr. Groebler is entitled to special compensation, due and payable in January 2022, to cover salary losses from his former employment relationship.

⁴ The pension payments disclosed for Prof. Dr.-Ing. Fuhrmann consist of a lifelong pension payment amounting to currently k€ 60 a month, as from July 2021, and an additional lump sum due and payable in January 2022 acquired by way of deferred compensation. As regards the lump sum payout from deferred compensation, the difference between the pension contribution and Prof. Dr.-Ing. Fuhrmann's converted salary components, and thus remuneration of k€ 363, is disclosed.

Table 2 shows the contractually agreed target remuneration as well as pension expenses.

Table 2: Targets remuneration figures for the financial year 2021

In k€	Prof. Dr.-Ing. Fuhrmann Chief Financial Officer from 1996/10/01 until 2011/01/31, Chief Executive Officer from 2011/02/01 until 2021/06/30				Gunnar Groebler Regular member of the Executive Board from 2021/05/17 until 2021/06/30, Chief Executive Officer since 2021/07/01			
	2020	2021	2021 min.	2021 max.	2020	2021	2021 min.	2021 max.
Fixed salary ¹	1,200	700	700	700	-	650	650	650
Supplementary benefits	22	11	11	11	-	27	27	27
Total	1,222	711	711	711	-	677	677	677
	Annual bonus							
One-year variable remuneration (50% cash portion) ¹	500	290	0	436	-	298	0	447
	Share deferral (2020)							
	500	-	-	-	-	-	-	-
	Share deferral (2021) ¹							
Multi-year variable remuneration	-	290	0	653	-	298	0	671
	Performance cash award (2020)							
	400	-	-	-	-	-	-	-
	Performance cash award (2021) ¹							
	-	232	0	465	-	238	0	477
Total	2,622	1,525	711	2,265	-	1,512	677	2,272
Special compensation ²	-	-	-	-	-	375	375	375
Service cost ³	475	489	489	489	-	338	338	338
Total remuneration	3,097	2,013	1,200	2,754	0	2,225	1,390	2,985

In k€	Burkhard Becker Chief Financial Officer since 2011/02/01				Michael Kieckbusch Chief Personnel Officer since 2013/02/20			
	2020	2021	2021 min.	2021 max.	2020	2021	2021 min.	2021 max.
Fixed salary ¹	636	696	696	696	636	636	636	636
Supplementary benefits	27	28	28	28	47	48	48	48
Total	663	724	724	724	683	684	684	684
	Annual bonus							
One-year variable remuneration (50% cash portion) ¹	265	265	0	398	265	265	0	398
	Share deferral (2020)							
	265	-	-	-	265	-	-	-
	Share deferral (2021) ¹							
Multi-year variable remuneration	-	265	0	596	-	265	0	596
	Performance cash award (2020)							
	212	-	-	-	212	-	-	-
	Performance cash award (2021) ¹							
	-	212	0	424	-	212	0	424
Total	1,405	1,466	724	2,141	1,425	1,426	684	2,101
Special compensation ²	-	-	-	-	-	-	-	-
Service cost ³	393	402	402	402	440	451	451	451
Total remuneration	1,797	1,867	1,125	2,543	1,865	1,877	1,135	2,553

¹ The fixed salary, as well as the annual bonus, share deferral and performance cash award 2021 were calculated for Prof. Dr.-Ing. Fuhrmann, taking account of the compensation payment to be granted for July 2021 under his employment contract for the non-observance of the contractual term of notice. Against the backdrop of the impact of the COVID-19 pandemic and the resulting short-time work in the workforce, Executive Board members Prof. Dr.-Ing. Fuhrmann, Messrs Becker and Kieckbusch voluntarily and individually waived 10% of their monthly gross fixed salary for the six month period from April through September 2020. The fixed salary listed corresponds to the amount prior to salary waivers in accordance with the contract of employment. In the financial year 2021, Mr. Becker was granted an amount of k€60 for temporarily discharging additional duties as head of the Manesmann Business Unit.

² Mr. Groebler is entitled to special compensation, due and payable in January 2022, to cover salary losses from his former employment relationship.

³ Service charge pursuant to IAS 19

2.3 Explanations on fixed remuneration

The amount of the basic salary fundamentally corresponds to the monetary amounts individually agreed in the Executive Board employment contracts. The supplementary benefits reflect the monetary value of the benefits in kind granted in the respective employment contract, which essentially consist of the benefit derived from the private use of a company car. At this point, reference is made to the presentation in Table 1 and to the following special circumstances:

Upon expiration of his appointment and his employment contract effective June 30, 2021, Prof. Dr.-Ing. Fuhrmann left the Executive Board to go into retirement. In his contract of employment, Prof. Dr.-Ing. Fuhrmann was given a commitment that, at the latest nine months prior to the expiration of the contract, a declaration would be made whether and under what conditions a contract renewal would be offered. The decision not to renew his employment contract was taken by Salzgitter AG's Supervisory Board in its extraordinary meeting on October 17, 2020, and thus only eight months before the employment contract was due to expire. Prof. Dr.-Ing. Fuhrmann is therefore entitled to compensation paid in an amount of a monthly salary, plus an annual bonus and a performance cash award to be increased on an accruals basis for the financial year 2021. Prof. Dr.-Ing. Fuhrmann therefore received a compensation payment for the month of July 2021 amounting to the fixed monthly salary last drawn of k€100. Payments from the annual bonus for the financial year 2021, as well as the share deferral and performance cash award derived therefrom, the latter components both due and payable at the end of the financial year 2024, increase accordingly by 31/365 of the payment that would have been due and payable if the employment relationship had been in place throughout the entire calendar year.

In the financial year 2021 Mr. Becker was granted an amount of k€ 60 for temporarily discharging additional duties as head of the Mannesmann Business Unit.

Mr. Groebler was appointed as a further regular member of the Executive Board, effective May 17, 2021, and appointed to the position of Chairman of the Executive Board, effective July 1, 2021. Under the employment contract concluded with Mr. Groebler, the monthly salary for the period from May 17 until June 30, 2021 stood at k€ 53 on an accruals basis and will increase to k€ 95 a month with effect from July 1, 2021. In order to compensate Mr. Groebler for loss of salary from his former employment relationship, the company is granting a one-off gross amount of k€ 375 that is due and payable on January 31, 2022.

2.4 Explanations on variable remuneration

2.4.1 Annual bonus

The 2021 annual bonus was calculated in accordance with the remuneration system comprising the target bonus and the multiplier (between 0 % and 150 %) agreed individually with each Executive Board member in their employment contracts. The target bonus for all Executive Board members amounted to 10 monthly salaries. In this context, due to the joining and withdrawing of Mr. Groebler and Prof. Dr.-Ing. Fuhrmann respectively, curtailments were made on an accruals basis and, in the case of Prof. Dr.-Ing. Fuhrmann, an increase on an accruals basis to cover a compensation payment granted. The multiplier depended on fulfilling the performance criteria in the financial year 2021, specifically – as provided for under the remuneration system – 70 % of earnings before taxes (EBT) at Group level in the financial year 2021 in comparison with 2020 (the relevant performance criteria are precisely defined in the remuneration system) and 30 % depending on the individual performance in the financial year 2021, the latter measured by the criteria defined by the Supervisory Board at the beginning of the financial year for all Executive Board members equally, as follows:

- Criterion 1 – Reducing the occurrence of accidents / improving occupational safety (10%-points): Upon achieving a per capita industrial accident rate (number of industrial accidents causing more than one day of incapacity per 1,000 employed persons on an annual average) of 12.3, the level of achievement was set at 100 %, at 50 % for a per capita industrial accident rate of 12.6%, and at 150 % with a per capita industrial

accident rate of 12.0 or lower. Linear interpolation between these minimum and maximum values is applied to target achievement. In the case of a per capita industrial accident rate of more than 12.6%, the level of achievement is 0 %.

- Criterion 2 – Implementation of systematic knowledge transfer (10 %-points): The Supervisory Board determined levels for target achievement of between 0 and 150% in detail for the implementation of methods, processes and structures for the realization of systematic knowledge transfer in all important domestic Group companies, accompanied by the successful completion of a certain number of knowledge transfers in the financial year 2021.
- Criterion 3 – Enhancing employer attractiveness and creating an employer umbrella brand (10 %-points): The Supervisory Board determined levels for target achievement of between 0 and 150% in detail for the creating of a uniform employer umbrella brand and for defining and implementing personnel marketing measures and pilot projects to enhance employer attractiveness.

Calculation of the multiplier

EBT target:

EBT was negative in the financial year 2020 and, at € 705.7 million, clearly in the positive zone in the financial year 2021. This being the case, the Supervisory Board is authorized under the remuneration system to determine the extent to which goals have been achieved at its own discretion (Section 315 German Commercial Code (BGB)). Owing to the exceptional improvement in profit, decisively facilitated by the Executive Board, the Supervisory Board determined a target attainment of 150 % for all Executive Board members in its meeting on March 17, 2022.

Individual performance:

With regard to Criterion 1, a per capital industrial accident rate of 12.81 percent was achieved. Target attainment is therefore 0 %. With regard to Criterion 2, the Supervisory Board determined a target attainment of 120 % based on its assessment of the degree to which tasks were achieved. With regard to Criterion 3, the Supervisory Board determined a target attainment of 120 % based on its assessment of the degree to which tasks were achieved. The Supervisory Board therefore ascertained target attainment, and thereby the multiplier, with respect to the criteria applied for the purpose of assessing the individual performance of each Executive Board member at an overall 80 %.

Depending on the degree to which targets have been achieved (= multiplier M) for the two components – 150 % with regard to EBT and 80% with regard to the individual performance – the annual bonus for the financial year 2021 for each individual Executive Board member is calculated as follows under the remuneration system: $[(M \text{ EBT } 150 \% \times 70 \%) + (M \text{ individual performance } 80 \% \times 30 \%)] \times \text{target bonus of the Executive Board member} \times \text{pro rata temporis factor of the Executive Board member} = \text{annual bonus of the Executive Board member, specifically, as follows: € 749,260 for Prof. Dr.-Ing. Fuhrmann, € 768,875 for Mr. Groebler, and € 683,700 each for Messrs Becker and Kieckbusch (cf. Table 3).$

Table 3: Annual bonus 2021 calculations

	Target bonus	Pro rata temporis factor¹	Multiplier EBT target (weighting 70 %)	Multiplier individual targets (weighting 30 %)	Weighted multiplier – total	Annual bonus 2021 (of which 50 % cash / 50 % share deferral)
Prof. Dr.-Ing. Fuhrmann	1,000,000	212 / 365	150%	80%	129%	749,260
Groebler	950,000	229 / 365	150%	80%	129%	768,875
Becker	530,000	365 / 365	150%	80%	129%	683,700
Kieckbusch	530,000	366 / 365	150%	80%	129%	683,700

¹ Pro rata temporis factor for Prof. Dr. Fuhrmann, taking account of his entitlement to compensation payment for the month of July 2021

The 2021 annual bonus of each individual Executive Board member will be paid out in the financial year 2022 in accordance with the specifications of the remuneration system as follows: 50 % in cash and 50 % invested in virtual shares of the company (share deferral). With respect to share deferral, the following is calculated based on the starting share price of € 28.90333 calculated in accordance with the remuneration system: for Prof. Fuhrmann 12,961.487 virtual shares, for Mr. Groebler 13.300,809 virtual shares, and 11,827.357 in virtual shares for Messrs Becker and Kieckbusch respectively (cf. Table 4). At the end of the three-year lockup period, i.e. at the start of 2025, the stock market value of the shares at that time, plus dividend disbursed during the lockup period, capped at 150 % of the initial value (50 % of the 2021 annual bonus), is to be paid out.

Table 4: Calculation of the number of virtual shares from 2021 share deferral

	Initial value share deferral (50 % of the annual bonus)	Ø XETRA closing prices	Number of virtual shares
Prof. Dr.-Ing. Fuhrmann	374,630	28.90333	12,961.487
Groebler	384,438	28.90333	13,300.809
Becker	341,850	28.90333	11,827.357
Kieckbusch	341,850	28.90333	11,827.357

Outlook for the performance targets for assessing the annual bonus for the financial year 2022:

The target and benchmark for the EBT financial performance target correspond to those set for the financial year 2021. With regard to assessing the individual performance, identical criteria were determined for all Executive Board members, as follows:

- Criterion 1: Reducing the occurrence of accidents (15 %-points): Upon lowering the per capita industrial accident rate (number of industrial accidents causing more than one day of incapacity per 1,000 employed persons on an annual average) by 5 % compared with 2021, target attainment was set at 100 %, at 50 % for lowering the per capita industrial accident rate by 2.5 %, and at 150 % for lowering the per capita industrial accident rate by 7.5 %. Linear interpolation between these minimum and maximum values is applied to target achievement. If the reduction in the per capita industrial accident rate is less than 2.5 % compared with 2021, target attainment is 0 %.
- Criterion 2 – Digitalization (15 %-points): The Supervisory Board has defined specific degrees for target achievement of between 0 and 150 % in detail for the drawing up of a convincing concept for digitalizing training formats and content, an integrated continuous professional development concept to support

employees in the context of digital transformation, as well as a concept and implementation of the respective further training modules before the end of the financial year 2022.

2.4.2 Performance cash award

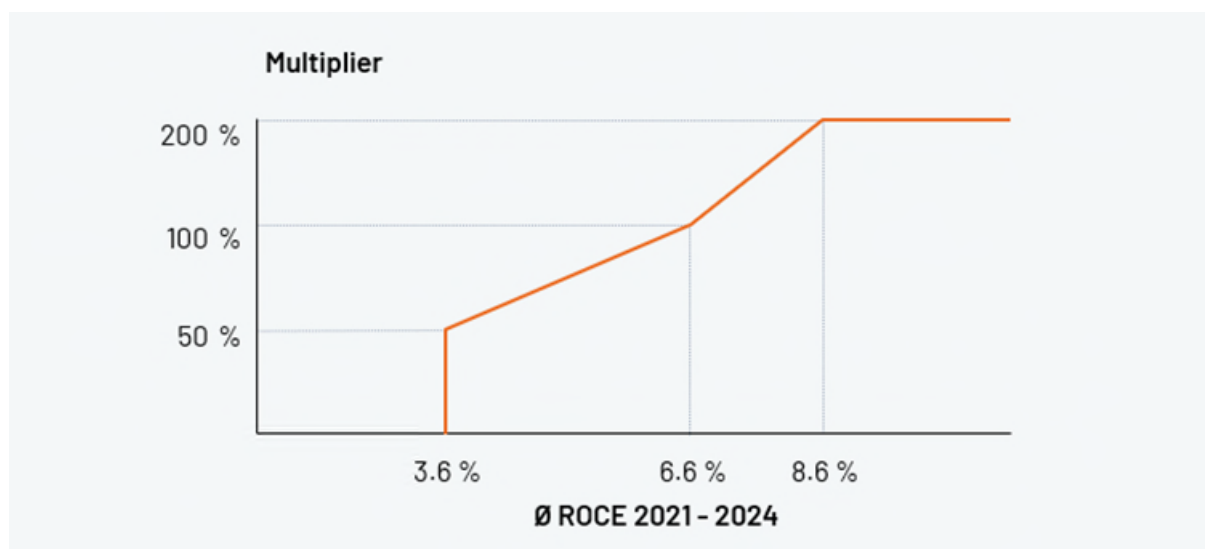
The performance cash award 2021 is calculated in accordance with the remuneration system based on the individual target amount agreed with each individual Executive Board member in their respective employment contracts and the multiplier (between 0 % and 200 %). The multiplier depends on the degree to which the performance criteria have been fulfilled in the performance period 2021 through 2024, – as laid down by the remuneration system – specifically 70 % depending on the return on capital employed (ROCE) and 30 % depending on the achievement of the stakeholder goals of “Decarbonization / SALCOS / Transition to Carbon Neutrality” determined by the Supervisory Board at the start of the financial year for all Executive Board members equally, as follows:

Calculation of the payment multiplier for the performance cash award 2021

ROCE target:

In terms of the degree to which return on capital employed has been achieved (ROCE target) in the performance period from 2021 through 2024, the Supervisory Board defined a specific target at the beginning of the financial year 2021, along with a specific minimum value and a specific maximum value. The resulting bonus curve is illustrated in Figure 8. To obtain the multiplier at the end of the performance period – as provided for under the remuneration system – i.e. after the end of the financial year 2024, target attainment is calculated and the multiplier determined. In the case of Prof. Dr. Fuhrmann, the compensation payment granted to him is taken account of in calculating the payout amount.

Figure 8: Bonus curve – ROCE target performance cash award 2021



Stakeholder target:

The degree to which targets have been achieved is assessed at the end of the performance period, i.e. after the end of the financial year 2024, taking account of the achieving of predefined milestones for drawing up a concept and implementing the SALCOS project for the purpose of decarbonizing steel production.

The performance cash award 2021 will be paid out in cash after the end of the performance period from 2021 through 2024.

Outlook for the performance targets for measuring the performance cash award in the financial year 2022:

Regarding the ROCE financial performance target weighted at 70 % to be achieved on average over the period from 2022 through 2025, ROCE for the Group would trigger multipliers as follows: 100 % for a Group ROCE of 9.8%, 50 % for a Group ROCE of 6.8 %, and 200 % for a Group ROCE of 11.8 % either achieved or exceeded.

As a stakeholder target with a weighting of 30%, the target was set as follows: to ascertain the carbon footprint of the Salzgitter Group by the end of 2022 and to present the Supervisory Board with 10 ambitious measures in total for the sustainable reduction of CO2 measures to be implemented step by step over the years from 2023 through 2025. Target attainment will be assessed depending on the number of measures presented in 2022 for lowering Carbon emissions, as well as the speed with which the measures are implemented over the period from 2023 to 2025.

2.5 Other information

The option under the remuneration system of a clawback of the variable remuneration components was not utilized as there was no occasion nor the preconditions to justify this.

The maximum remuneration under the remuneration system stands at k€ 2,900 for regular Executive Board members and at k€ 5,100 for the Chairman of the Executive Board. These caps have been observed with regard to the remuneration granted and owed in the financial year 2021 (cf. Table 5).

Table 5: Adherence to the maximum remuneration with regard to remuneration granted and owed for the financial year 2021 (subject to payments not yet remitted from share deferral and performance cash award 2021)

In k€		Prof. Dr.-Ing. Fuhrmann Chief Financial Officer from 1996/10/01 until 2011/01/31, Chief Executive Officer from 2011/02/01 until 2021/06/30	Groebler Regular member of the Executive Board from 2021/05/17 until 2021/06/30, Chief Executive Officer since 2021/07/01
Fixed remuneration ¹		700	650
Supplementary benefits		11	27
Total fixed salary		711	677
One-year variable remuneration	Annual bonus(50 % cash portion) ¹	375	384
	Share deferral	-	-
Multi-year variable remuneration	Performance Cash Award	-	-
Total variable remuneration		375	384
Special compensation ²		-	375
Service costs ³		489	338
Total remuneration		1,575	1,775
Maximum remuneration⁴		2,962	3,200

¹ The fixed salary and the annual bonus 2021 was calculated for Prof. Dr.-Ing. Fuhrmann, taking account of the compensation payment to be granted for July 2021 under his employment contract for the non-observance of the contractual term of notice. In the financial year 2021, Mr. Becker was granted an amount of k€60 for temporarily discharging additional duties as head of the Mannesmann Business Unit.

² Mr. Groebler is entitled to special compensation, due and payable in January 2022, to cover salary losses from his former employment relationship.

³ Service charge pursuant to IAS 19

⁴ Due to the joining and withdrawing of Mr. Groebler and Prof. Dr.-Ing. Fuhrmann respectively during the year, the maximum remuneration was calculated on a pro rata temporis basis. In the case of Prof. Dr.-Ing. Fuhrmann, the compensation payment to be granted for July 2021 under his contract of employment was included in calculating the maximum remuneration.

Table 5 (cont.): Adherence to the maximum remuneration with regard to remuneration granted and owed for the financial year 2021 (subject to payments not yet remitted from share deferral and performance cash award 2021)

In k€		Becker Chief Financial Officer since 2011/02/01	Kieckbusch Chief Personnel Officer since 2013/02/20
Fixed remuneration ¹		696	636
Supplementary benefits		28	48
Total fixed salary		724	684
One-year variable remuneration	Annual bonus (50 % cash portion) ¹	342	342
Multi-year variable remuneration	Share deferral	-	-
	Performance Cash Award	-	-
Total variable remuneration		342	342
Special compensation ²		-	-
Service costs ³		402	451
Total remuneration		1,467	1,477
Maximum remuneration⁴		2,900	2,900

¹ The fixed salary and the annual bonus 2021 was calculated for Prof. Dr.-Ing. Fuhrmann, taking account of the compensation payment to be granted for July 2021 under his employment contract for the non-observance of the contractual term of notice. In the financial year 2021, Mr. Becker was granted an amount of k€60 for temporarily discharging additional duties as head of the Mannesmann Business Unit.

² Mr. Groebler is entitled to special compensation, due and payable in January 2022, to cover salary losses from his former employment relationship.

³ Service charge pursuant to IAS 19

⁴ Due to the joining and withdrawing of Mr. Groebler and Prof. Dr.-Ing. Fuhrmann respectively during the year, the maximum remuneration was calculated on a pro rata temporis basis. In the case of Prof. Dr.-Ing. Fuhrmann, the compensation payment to be granted for July 2021 under his contract of employment was included in calculating the maximum remuneration.

A conclusive assessment as to whether the maximum remuneration has been observed can only be conclusively determined when the disbursement amounts from the respective share deferral and performance cash award have been determined, thereby enabling this to be reported in the remuneration reports for the coming financial years.

No benefits were granted or pledged by external parties to the individual members of the Executive Board in the financial year 2021 for their activities as Executive Board members. In the event of regular termination of their service to the company, and upon reaching the age limits defined in retirement benefits commitments, the Executive Board members have been granted the payments shown in Table 6.

Table 6: Retirement benefits

In €		Annual payment upon pension eligibility ¹	payment upon pension eligibility (guarantee amount)	Allocation		Cash value of	
				Pursuant to HGB	Pursuant to IFRS	Pursuant to HGB	Pursuant to IFRS
Prof. Dr.-Ing. Fuhrmann, Chief Financial Officer from 1996/10/01 until 2011/01/31,	2021	720,000	0	2,228,156	653,419	17,696,973	19,189,595
Chief Executive Officer from Groebler	2020	720,000	0	1,216,785	983,487	15,468,817	18,536,176
Regular member of the Executive Board from 2021/05/17 until 2021/06/30, Chief Executive Officer	2021	0	214,570	322,725	338,257	322,725	338,257
Becker,	2020	-	-	-	-	-	-
Chief Financial Officer since Kieckbusch,	2021	352,547 ²	542,524	1,057,561	191,801	8,192,021	8,998,732
Chief Personnel Officer since	2020	349,056 ²	361,620	699,604	595,396	7,134,460	8,806,931
	2021	337,857 ³	542,524	1,032,397	204,348	7,242,479	8,040,598
	2020	334,512 ³	361,620	703,117	640,093	6,210,082	7,836,250

¹ Annual entitlement during service until the age of 65, including a former employer's pension commitment assumed against remuneration

² Contractually agreed cap at 96 % of the agreed final pension of the financial year 2018, dynamization as from 2019 in accordance with Essener Verband group adjustments

³ Contractually agreed cap at 92% of the agreed final pension of the financial year 2018, dynamization as from 2019 in accordance with Essener Verband group adjustments

Should Executive Board activities be terminated without an important reason, the Executive Board members are entitled to the remuneration agreed until expiration of the respective contracts. However, this entitlement is restricted to the amount of two years' remuneration (fixed and variable components). In the event of premature termination of Executive Board member activities due to a change of control, the Board members are entitled under certain circumstances to settlement in the amount of overall remuneration for the remaining term of their contracts of employment. This settlement is, however, capped at the value of three years of remuneration (fixed and variable components).

3. Remuneration of former Executive Board members

Table 5 below shows the remuneration granted and owed in the past financial year to former Executive Board members whose service to the company ended in the last ten years, including the respective relative share pursuant to Section 162 AktG. In the financial year ended, exclusively lifetime pension payments to be remitted and remuneration for performing Supervisory Board mandates in the company's subsidiaries were granted.

Table 7: Remuneration granted and owed to former members of the Executive Board in the financial year 2021 pursuant to Section 162 AktG

	Prof. Dr. Wolfgang Leese Chief Executive Officer from 2000/02/01 until 2011/01/31		Wolfgang Eging Executive Board member Mannesmann 2003/10/01 until 2014/09/30		Heinz Groschke Executive Board member Trading 2006/01/01 until 2014/09/30		Peter-Jürgen Schneider Executive Board member Personnel and Services 2003/04/01 until 2013/02/19	
	absolute	in %	absolute	in %	absolute	in %	absolute	in %
Pension payments	496,092	100%	350,483	99%	388,514	94%	136,906	100%
Supervisory Board remuner	0	0%	5,300	1%	24,133	6%	0	0%
Total remuneration	496,092	100%	355,783	100%	412,648	100%	136,906	100%

4. Remuneration of Supervisory Board members

4.1 Supervisory Board remuneration system

Each member of the Supervisory Board receives a fixed remuneration of € 60,000 per financial year. This remuneration is double the amount for the Vice Chairman and three times the amount for the Chairman. In addition, each member receives € 5,000 for committee activities, each committee chairman and each member of the Audit Committee € 10,000, and the chairman of the Audit Committee € 30,000. The Chairman of the Supervisory Board and the Vice Chairman are not remunerated for membership in the committees. The other Supervisory Board members are compensated for a maximum of two memberships in committees. An attendance fee of € 500 is paid for participation in each Supervisory Board meeting (also by way of telephone or video conference); participation in a brief telephone consultation and decision making by way of telephone do not count insofar as participating in a meeting.

4.2 Remuneration received by the individual members of the Supervisory Board:

The individual members of the Supervisory Board received the following remuneration and attendance fees:

Table 8: Remuneration of Supervisory Board members in the financial year 2021

		Annual entitlements						Total remuneration in €
		Fixed remuneration		Remuneration for committee duties		Attendance fees		
		in €	in %	in €	in %	in €	in %	
Heinz-Gerhard Wente (Vorsitzender)	2021	180,000	98%		0%	3,500	2%	183,500
	2020	171,000	98%		0%	3,000	2%	174,000
Dr. Hans-Jürgen Urban (stellvertretender Vorsitzender)	2021	120,000	97%		0%	3,500	3%	123,500
	2020	114,000	97%		0%	3,000	3%	117,000
Konrad Ackermann	2021	60,000	77%	15,000	19%	3,000	4%	78,000
	2020	57,000	76%	14,250	19%	3,500	5%	74,750
Manuel Bloemers (since 2021/07/01)	2021	30,000	80%	5,000	13%	2,500	7%	37,500
	2020		0%		0%		0%	-
Ulrike Brouzi	2021	60,000	98%		0%	1,500	2%	61,500
	2020	57,000	98%		0%	1,000	2%	58,000
Annelie Buntenbach (until 2021/06/30)	2021	30,000	98%		0%	500	2%	30,500
	2020	57,000	97%		0%	1,500	3%	58,500
Hasan Cakir	2021	60,000	83%	10,000	14%	2,500	3%	72,500
	2020	57,000	82%	9,500	14%	3,000	4%	69,500
Dr. Bernd Drouven	2021	60,000	89%	5,000	7%	2,500	4%	67,500
	2020	57,000	92%	4,750	8%	500	1%	62,250
Roland Flach	2021	60,000	82%	10,000	14%	3,000	4%	73,000
	2020	57,000	82%	9,500	14%	3,000	4%	69,500
Gabriele Handke	2021	60,000	97%		0%	2,000	3%	62,000
	2020	57,000	97%		0%	1,500	3%	58,500
Reinhold Hilbers	2021	60,000	82%	10,000	14%	3,000	4%	73,000
	2020	57,000	82%	9,500	14%	3,000	4%	69,500
Norbert Keller	2021	60,000	97%		0%	2,000	3%	62,000
	2020	57,000	99%		0%	500	1%	57,500
Frank Klingebiel (since 2021/05/19)	2021	40,000	96%		0%	1,500	4%	41,500
	2020		0%		0%		0%	-

Table 8 (cont.): Remuneration of Supervisory Board members in the financial year 2021

		Annual entitlements						
		Fixed remuneration		Remuneration for committee duties		Attendance fees		Total remuneration
		in €	in %	in €	in %	in €	in %	in €
Prof. Dr. Susanne Knorre	2021	60,000	97%		0%	2,000	3%	62,000
	2020	57,000	97%		0%	1,500	3%	58,500
Dr. Dieter Köster (until 2021/06/30)	2021	30,000	98%		0%	500	2%	30,500
	2020	57,000	98%		0%	1,000	2%	58,000
Heinz Kreuzer	2021	60,000	97%		0%	2,000	3%	62,000
	2020	57,000	97%		0%	1,500	3%	58,500
Bernd Lauenroth (until 2021/06/30)	2021	30,000	79%	7,500	20%	500	1%	38,000
	2020	57,000	76%	14,250	19%	3,500	5%	74,750
Volker Mittelstädt	2021	60,000	97%		0%	2,000	3%	62,000
	2020	57,000	97%		0%	1,500	3%	58,500
Klaus Papenburg (since 2021/07/01)	2021	30,000	95%		0%	1,500	5%	31,500
	2020		0%		0%		0%	-
Anja Piel (since 2021/07/22)	2021	30,000	95%		0%	1,500	5%	31,500
	2020		0%		0%		0%	-
Prof. Dr. Joachim Schindler	2021	60,000	65%	30,000	32%	3,000	3%	93,000
	2020	57,000	64%	28,500	32%	3,000	3%	88,500
Christine Seemann	2021	60,000	97%		0%	2,000	3%	62,000
	2020	57,000	97%		0%	1,500	3%	58,500
Prof. Dr. Dr.-Ing. Birgit Spanner-Ulmer	2021	60,000	89%	5,000	7%	2,500	4%	67,500
	2020	57,000	90%	4,750	8%	1,500	2%	63,250
Clemens Spiller	2021	60,000	97%		0%	2,000	3%	62,000
	2020	57,000	97%		0%	1,500	3%	58,500
Dr. Werner Tegtmeier (until 2021/05/19)	2021	25,000	98%		0%	500	2%	25,500
	2020	57,000	97%		0%	1,500	3%	58,500
Total	2021	1,445,000		97,500		51,000		1,593,500
	2020	1,368,000		95,000		41,500		1,504,500

Out of solidarity with employees working short time due to the massive slump in orders in 2020 and who were suffering a loss of income, all Executive Board members waived 10 % of their basic salary for six months in the financial year 2020.

In addition, the following Supervisory Board members received remuneration for Supervisory Board mandates of subsidiaries:

Table 9: Remuneration of Supervisory Board members serving at subsidiaries in the financial year 2021

		Annual entitlements						Total remuneration in €
		Fixed remuneration		Remuneration for committee duties		Attendance fees		
		in €	in %	in €	in %	in €	in %	
Konrad Ackermann (KHS)	2021	10,000	93%		0%	750	7%	10,750
	2020	9,000	92%		0%	750	8%	9,750
Hasan Cakir (SZFG)	2021	8,000	95%		0%	400	5%	8,400
	2020	8,000	95%		0%	400	5%	8,400
Roland Flach (KHS)	2021	10,000	93%		0%	750	7%	10,750
	2020	10,000	93%		0%	750	7%	10,750
Gabriele Handke (PTG)	2021	5,000	93%		0%	400	7%	5,400
	2020	5,000	93%		0%	400	7%	5,400
Norbert Keller (MPTDE)	2021	5,000	94%		0%	300	6%	5,300
	2020	5,000	94%		0%	300	6%	5,300
Volker Mittelstädt (ILG/MGB)	2021	7,500	95%		0%	400	5%	7,900
	2020	7,500	95%		0%	400	5%	7,900
Dr. Hans-Jürgen Urban (SZFG)	2021	12,000	97%		0%	400	3%	12,400
	2020	12,000	97%		0%	400	3%	12,400
Total	2021	57,500		0		3,400		60,900
	2020	56,500		0		3,400		59,900

The employee representatives who are members of trade unions have declared that they will remit their remuneration to the Hans Böckler Foundation in accordance with the provisions of the German Trade Union Confederation.

5. Comparative chart of remuneration and earnings trend

The comparative chart below illustrates the year-on-year change in remuneration granted and owed to current and former members of the Executive Board and of the Supervisory Board, the company's earnings trend and employee remuneration based on full-time equivalents.

The remuneration of members of the Executive Board and of the Supervisory Board corresponds to the remuneration granted and owed in the respective financial years within the meaning of Section 162 (1) sentence 1 AktG and therefore to the disclosures in Tables 1 and 7 as well as 8 and 9 of this report. Along with the development of Salzgitter AG's annual net income, key indicators for the earnings trend also include consolidated earnings before taxes (EBT) that also functions as an assessment basis for the financial performance component as part of the annual bonus. The core workforce of the Salzgitter Group's companies domiciled in Germany was taken as a basis for assessing employee remuneration development. The internal group used for comparison purposes was deliberately restricted to Germany as the majority of the workforce (around 80 %) are employed here and because structural changes over time in the proportion of staff members employed abroad in the overall workforce would skew the informative value of a representative comparison on a global scale.

Table 10 shows a comparison of the percentage change in Executive Board member remuneration and Salzgitter AG's earning trend against the average employee remuneration on a full-time equivalent basis, compared with the previous year. Table 11 illustrates this comparison for members of the Supervisory Board.

Table 10: Comparison of the remuneration and earnings trend for members of the Executive Board

	Change in remuneration and earnings 2021 vs 2020 in %
Current members of the Executive Board	
Prof. Dr.-Ing. Fuhrmann	27%
Groebler	(start of employment in 2021)
Becker	37%
Kieckbusch	29%
Former members of the Executive Board	
Prof. Dr. Leese	0%
Eging	-2%
Groschke	-1%
Schneider	0%
Earnings trend	
Annual financial statements of SZAG	(turnaround 2021 versus 2020)
Earnings before taxes (EBT) Salzgitter Group	(turnaround 2021 versus 2020)
Employees	
Domestic workforce	12%

As Mr. Groebler was only appointed a member of the Executive Board over the course of the financial year 2021, indicating a rate of change is not possible. Given that EBT in the financial year 2020 was negative and that it is positive in the financial year 2021, indicating a percentage rate of change is not possible either. The increase in the remuneration granted and owed to Executive Board members Becker and Kieckbusch is attributable to significantly higher performance-related variable remuneration (annual bonus) and also to the fact that the Executive Board members voluntarily waived 10 % of their contractually agreed fixed salaries for six months in the financial year 2020. Moreover, in the case of Mr. Becker, the temporary granting of additional remuneration in the financial year 2021 amounting to k€ 60 for assuming the position of head of the Mannesmann Business unit raised his remuneration. In the case of Prof. Dr.-Ing. Fuhrmann, the increase in remuneration is attributable to generally higher performance-related remuneration and compensation paid to account for pension payments in the financial year, along with a lump sum payout from a deferred compensation agreement. The significant increase in average employee remuneration in the financial year 2021, compared with the year before is accounted for, on the one hand, by remuneration not being paid due to the extensive use of short-time work in the financial year 2020 and, on the other, by the significant increase in performance-related remuneration owed for the financial year 2021.

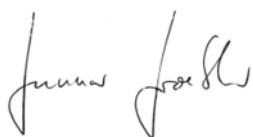
Table 11: Comparative presentation of the remuneration and earnings trend for members of the Supervisory Board

	Change in remuneration and earnings 2021 vs 2020 in %
Current members of the Supervisory Board	
Heinz-Gerhard Wente (Chairman)	5%
Dr. Hans-Jürgen Urban (Vice Chairman)	6%
Konrad Ackermann	4%
Manuel Bloemers since 2021/07/01	(start 2021)
Ulrike Brouzi	6%
Annelie Buntentbach (until 2021/06/30)	-48%
Hasan Cakir	4%
Dr. Bernd Drouven	8%
Roland Flach	5%
Gabriele Handke	6%
Reinhold Hilbers	5%

Table 11(cont.): Comparative presentation of the remuneration and earnings trend for members of the Supervisory Board

	Change in remuneration and earnings 2021 vs 2020 in %
Current members of the Supervisory Board	
Norbert Keller	8%
Frank Klingebiel (since 2021/05/19)	(start 2021)
Prof. Dr. Susanne Knorre	6%
Dr. Dieter Köster (until 2021/06/30)	-47%
Heinz Kreuzer	6%
Bernd Lauenroth (until 2021/06/30)	-49%
Volker Mittelstädt	6%
Klaus Papenburg (since 2021/07/01)	(start 2021)
Anja Piel (since 2021/07/22)	(start 2021)
Prof. Dr. Joachim Schindler	5%
Christine Seemann	6%
Prof. Dr. Dr.-Ing. Birgit Spanner-Ulmer	7%
Clemens Spiller	6%
Dr. Werner Tegtmeier (until 2021/05/19)	-56%
Former members of the Supervisory Board	
Earnings trend	
Annual financial statements of SZAG	(turnaround 2021 versus 2020)
Earnings before taxes (EBT) Salzgitter Group	(turnaround 2021 versus 2020)
Employees	
Domestic workforce	12%

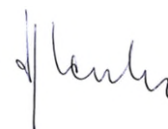
Salzgitter, March 17, 2022



(Gunnar Groebler)
Chief Executive Officer



(Burkhard Becker)
Chief Financial Officer



(Heinz-Gerhard Wente)
Chairmann of the
Supervisory Board