

-Non-binding convenience translation of the original German language version-

Independent Auditor's report

To VARTA Aktiengesellschaft, Ellwangen (Jagst),

REPORT ON THE REMUNERATION REPORT AUDIT

We have audited the accompanying remuneration report of VARTA Aktiengesellschaft, Ellwangen (Jagst) for the financial year from 1 January to 31 December 2021, including the related disclosures, which was prepared to comply with Section 162 AktG (German Stock Corporation Act).

Responsibility of the legal representatives and the Supervisory Board

The Executive and the Supervisory Boards of VARTA Aktiengesellschaft are responsible for the preparation of the remuneration report, including the related disclosures, which complies with the requirements of Section 162 AktG. The Executive and the Supervisory Boards are also responsible for such internal controls as they determine are necessary to enable preparation of a remuneration report with related disclosures that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the present remuneration report and related disclosures, based on our audit. We have conducted our audit in accordance with generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW – Institute of Public Auditors). These standards specify that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the remuneration report with related disclosures is free from material misstatements.

An audit involves performing procedures to obtain audit evidence on the amounts shown and disclosures indicated in the remuneration report. The procedures selected are at the auditor's discretion. They include assessing the risks of material misstatements in the remuneration report and related disclosures, whether due to fraud or error. In making such risk assessments, the auditor considers the internal control system relevant to the company's preparation and fair presentation of the remuneration report and related disclosures. The objective of the audit is to design and perform procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls. An audit includes evaluating the accounting principles used and the reasonableness of accounting estimates made by the Executive and the Supervisory Boards, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

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

Opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from 1 January to 31 December 2021, including the related disclosures, complies in all material respects with the accounting provisions of Section 162 AktG.

Other matters - Formal audit of the remuneration report

The substantive audit of the remuneration report described in the present auditor's report includes the formal audit of the remuneration report required by Section 162 (3) of the AktG, including the expression of an opinion on this audit. As we express an unqualified opinion on the content of the remuneration report, this opinion includes an opinion on whether the disclosures pursuant to Sections 162 (1) and (2) AktG have been made in all material respects in the remuneration report.

Note on limitation of liability

Our appointment, in the performance of which we have rendered the aforementioned services for VARTA Aktiengesellschaft, was based on the General Engagement Terms for Auditors and Auditing Firms in the version dated 1 January 2017. By taking note of and using the information contained in the present auditor's report, each recipient confirms having taken note of the provisions contained therein (including the limit of liability to EUR 4 million for negligence in section 9 of the AAB) and acknowledges their validity in relation to us.

Stuttgart, 3 May 2022

KPMG AG

Auditors

Cheung
Auditor

Hundshagen
Auditor

Remuneration Report of VARTA AKTIENGESELLSCHAFT, Ellwangen (Jagst) for fiscal year 2021

The present remuneration report describes the remuneration granted and owed individually to acting and former members of the Executive Board and Supervisory Board of VARTA AKTIENGESELLSCHAFT (hereinafter the "Company") for the fiscal year 2021 in the period from January 1, 2021 to December 31, 2021.

The report explains in detail and individualized the structure and amount of the individual components of the remuneration of the Executive Board and Supervisory Board. The remuneration report was prepared jointly by the Executive Board and Supervisory Board. It is based on the requirements of Section 162 of the the German Stock Corporation Act and complies with the applicable recommendations of the German Corporate Governance Code (DCGK). The present remuneration report will be submitted to the Annual General Meeting on June 21, 2022 for approval.

Ellwangen (Jagst), May 3, 2022

Prof. DDr. Michael Tojner
Chairman of the Supervisory Board

Herbert Schein
CEO

Armin Hessenberger
CFO

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I. Remuneration of members of the Executive Board of VARTA AKTIENGESELLSCHAFT

1. Introduction

The current remuneration system for the members of the Company's Executive Board (hereinafter the "Executive Board Members") has been in place since April 13, 2021 and was approved by a majority of 96.40% at the Annual General Meeting on June 17, 2021. Further information is available at www.varta-ag.com/de/ueber-varta/unternehmen/vorstand-der-varta-ag.

The Executive Board remuneration system is designed to promote the implementation of the corporate strategy and the long-term development of the Company while avoiding disproportionate risks. To this end, the right incentives are to be set for increasing earnings and sales growth as well as for other relevant strategic issues aimed at the sustainable development of the Company.

For the Chief Financial Officer, Armin Hessenberger, the remuneration for the Executive Board members described in the present report is based in full on the above remuneration system. The remuneration for the Chairman of the Executive Board, Herbert Schein, was granted up to and including September 2021 on the basis of the employment contract provisions applicable to him. For this period, in addition to moderate fixed remuneration, Herbert Schein will receive as short-term variable remuneration an amount equivalent to 3% of the operating EBIT generated by the Company on a consolidated basis. The service contract for Herbert Schein, which runs from October 2021, complies with the requirements of the remuneration system.

As the remuneration report prepared in accordance with section 162 of the German Stock Corporation Act (AktG) was approved for the first time by resolution passed at the 2021 Annual General Meeting by a very large majority of shareholders, the Executive Board and Supervisory Board saw no reason to question or make adjustments to the reporting or application of the remuneration system.

Pursuant to Sec. 120a (1) Sentence 1 AktG, the Annual General Meeting of a listed company shall resolve on the approval of the remuneration system for Executive Board members presented by the Supervisory Board whenever there is a significant change to the remuneration system, but at least every four years, i.e. at the Annual General Meeting in 2025 at the latest.

a. Remuneration in fiscal year 2021

The remuneration of the Executive Board is based to a large extent on the performance of the Company. Above-average performance is rewarded in particular, and failure to achieve targets has a negative impact on Executive Board remuneration. The Company was once again able to increase its annual earnings compared with the previous year and this is also reflected in the remuneration of the Executive Board. The key target figure for measuring the success of the Executive Board's work was EBITDA. Targets in the areas of innovation and organizational development were also included as individual targets in both the short-term and long-term variable remuneration of the Executive Board.

b. Changes in the composition of the Executive Board

The Executive Board of the Company remained unchanged in fiscal year 2022, Steffen Munz having already left the Company's Executive Board on December 31, 2020. His employment contract ended with effect from January 31, 2021.

2. Review of fiscal year 2021

In 2021, a further increase in sales was achieved and the EBITDA margin rose significantly to over 30%. These improvements were achieved despite the fact that both customers and the supply chain were affected by the Covid 19 pandemic. Despite these circumstances, the VARTA Aktiengesellschaft Group did not lose a single day due to production downtime. The course was set for further growth in the future market of lithium-ion cells.

3. Principles of determining remuneration

The members of the Executive Board receive fixed and variable remuneration components. The fixed, non-performance-related components comprise a fixed annual salary and fringe benefits. The variable, performance-related remuneration components comprise a short-term component (STI) and a long-term remuneration component (LTI). The Executive Board member must invest the LTI amount in shares of the Company, which are subject to a four-year minimum holding period. Malus and clawback rules apply to the variable remuneration.

The main components of the remuneration system, the underlying objectives and strategy and the specific structure for fiscal year 2021 are indicated below.

Overview of fixed and variable components of the remuneration system

	Fixed remuneration components	Variable remuneration components	
	Fixed remuneration incl. fringe benefits	STI	LTI
Relative share of overall target remuneration ¹	VV ² : ca. 36% OV ³ : ca. 53%	VV: ca. 32% OV: ca. 23,5%	VV: ca. 32% OV: ca. 23,5%
Structure of remuneration	Fixed salary is paid in 12 equal instalments. <ul style="list-style-type: none"> - Fringe benefits include: - Allowance for private pension insurance, - accident insurance, - legal expenses insurance, - provision of a company car, - Health and nursing care insurance contributions 	Target achievement from 0 - 200% possible. Performance criteria are corporate and individual targets. The STI is paid out in the next fiscal year.	The LTI is invested in shares of the company in trust by VARTA after deduction of individual tax and duty charges and is subject to a four-year holding period.

¹ The relative share of total target achievement for Herbert Schein and the fixed and variable remuneration components under the remuneration system relate to the period October 01, 2021 to December 31, 2021.

² VV = Chairman of the Executive Board.

³ OV = Ordinary member of the Executive Board

Application in 2021	<p>Fixed salary was paid on a monthly basis.</p> <p>Fringe benefits were paid in line with their utilization.</p>	<p>STI amount based on target EBITDA at Group level. Target achievement of 0 - 200% possible.</p>	<p>The amount of the LTI corresponds to the respective STI amount.</p> <p>The LTI is paid in the name and on behalf of the Executive Board member in shares of the Company.</p>
Strategic orientation	<p>The fixed salary ensures an appropriate basic income for Executive Board members and is intended to prevent them taking unreasonably high risks. The amount of the fixed salary varies according to the experience and area of responsibility of the Executive Board member.</p> <p>Fringe benefits represent a component of a remuneration package in line with market conditions and promote the work of the Executive Board.</p>	<p>Incentivizes achievement of both corporate and individual targets.</p>	<p>Incentivizes sustainable and long-term corporate growth.</p>

Other significant elements of the remuneration system

	Maximum remuneration	Malus and Clawback	Extraordinary events and developments
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Structure of the remuneration system	he approved remuneration system provides for a maximum remuneration of EUR 7.3 million for the chairman of the Executive Board (VV) and EUR 2.0 million for the ordinary board members (OV)	The Supervisory Board has the option of withholding or reclaiming the short-term and long-term variable remuneration in the event of a serious breach of duty. Withholding or reclaiming remuneration is also possible in the event of incorrect consolidated financial statements.	In exceptional cases, the Supervisory Board of the Company may temporarily deviate from individual components of the remuneration system if this is necessary in the interests of the long-term health of the Company.
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Application in 2021	No maximum remuneration amount is defined in the currently valid service agreements. However, the structure of the current contracts ensures that this can be complied with.	No application.	No application.
Strategic orientation	Avoidance of inflated Executive Board salaries.	Incentivizes sustainable corporate policy.	Enables the Supervisory Board to react appropriately to special situations.

Deviating from this, employment contract provisions for Herbert Schein up to and including September 2021

	Fixed salary incl. fringe benefits	STI
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Structure of the employment agreement	<p>Fixed salary was paid in 12 equal instalments.</p> <p>Fringe benefits include:</p> <ul style="list-style-type: none"> - Allowance for private pension insurance, - accident insurance, - legal expenses insurance, - Provision of a company car, - health and long-term care insurance contributions. 	Annual bonus of 3% of the operating EBIT generated by the Company on a consolidated basis (consolidated financial statements).
Application in 2021	<p>Fixed salary was paid in monthly instalments.</p> <p>Fringe benefits assumed in line with their utilization.</p>	The annual bonus will be paid in the next fiscal year.
Strategic orientation	The fixed salary ensures an appropriate basic income for Executive Board members and is intended to prevent them from taking unreasonably high risks. Fringe benefits represent a component of a standard market remuneration package and promote the work of the Executive Board.	Incentivizes achievement of the corporate targets.

a. Determination of the target remuneration

Pursuant to preparation by the HR Committee, the Supervisory Board determined the amount of total target remuneration for each individual Executive Board member at the beginning of fiscal year 2021 in accordance with the remuneration system. The total target remuneration for each Executive Board member is the sum of the fixed salary including fringe benefits, the Short Term Incentive ("STI") for 100% target achievement and the Long Term Incentive ("LTI") for 100% target achievement.

In addition to an appropriate relationship to the duties and performance of Executive Board members, particular account is taken of the financial position of the Company, the market environment, the success and future prospects of the Company. The Supervisory Board pays particular attention to ensuring that the total target total remuneration is in line with market conditions.

The total target remuneration is to be determined with particular regard to the function of the individual Executive Board member. In particular, a function-specific differentiation is made. This means that the overall remuneration of the Chairman of the Executive Board is higher than that determined for the other Executive Board members. When an Executive Board member is appointed for the first time, lower remuneration or a reduction in remuneration components may be set overall for the period of the initial appointment. Accordingly, the total target remuneration of

the Chairman of the Executive Board, Herbert Schein, differs from that of the Chief Financial Officer, Armin Hessenberger, who is in his first term of office.

The table below shows the contractually agreed target remuneration and the remuneration structure as a percentage of the total target remuneration for fiscal year 2021, assuming target achievement of 100%. The remuneration structure shown for the target remuneration granted in fiscal year 2021 for Armin Hessenberger corresponds to the remuneration structure specified in the applicable remuneration system. For Herbert Schein, contractual service agreements prior to the entry into force of the new remuneration system were still applicable until the end of September 2021. Due to the STI structure in place during this period, neither absolute nor relative target amounts could be specified for the STI. The service contract running from October 2021 complies with the provisions of the new remuneration system.

Total target remuneration for Herbert Schein in fiscal year 2021		
	in € '000	in %
Fixed salary	585	12
Fringe benefits	80	2
Total fixed remuneration	665	14
Total bonus, STI and LTI	4,050	86
Bonus 2021 – former service contract (pro rata for 9 months)	3,450 (projected or budget value)	73
STI 2021 – new service contract (pro rata for 3 months)	300 (with 100% target achievement)	6
LTI 2021 – New service contract (pro rata for 3 months)	300 (with 100% target achievement)	6
Total remuneration	4,715	100

Total target remuneration for Armin Hessenberger in fiscal year 2021		
	in TEUR	in %
Fixed salary	300	59
Fringe benefits	14	3
Total fixed remuneration	314	62
Total STI and LTI	200	38
STI 2021 ¹	100 (with 100% target achievement)	19
LTI 2021 ¹	100 (with 100% target achievement)	19
Total remuneration	514	100

¹ The relative share of total target achievement for Armin Hessenberger and the fixed and variable remuneration components under the remuneration system relate to the period October 01,

b. Compliance with the maximum remuneration

The maximum total remuneration of each Executive Board member is derived by the Supervisory Board on the basis of the target total remuneration. The annual maximum total remuneration of an Executive Board member is the maximum limit in terms of amount and therefore the actual maximum inflow taking into account the fixed remuneration (including fringe benefits), the STI and the LTI. As the remuneration system setting the maximum remuneration did not come into force

until the 2021 fiscal year, it does not apply to the remuneration granted for the 2021 fiscal year. The maximum total remuneration for the Chairman of the Executive Board has been set at EUR 1.825 million for the last quarter of the 2021 financial year. For the other members of the Executive Board, the remuneration system provides for a maximum total remuneration of EUR 2.0 million for fiscal year 2021. The remuneration granted and owed to the members of the Executive Board for the fiscal year was not exceeded (see section I.5 of the present report).

The agreements with the respective members of the Executive Board do not provide for any explicitly quantified maximum remuneration. By setting a fixed salary and limiting the maximum target achievement, the maximum amount cannot be exceeded in arithmetical terms. If the maximum target is achieved, the Chairman of the Executive Board will receive EUR 6.0 million (fixed salary and variable remuneration) plus fringe benefits, and the Chief Financial Officer EUR 0.7 million (fixed salary and variable remuneration) plus fringe benefits.

c. Verification of the appropriateness

The Supervisory Board is responsible for ensuring that the total target remuneration is in line with market practice. Generally available remuneration data for M-Dax and Tech-Dax executive boards are used to assess market conformity. In this horizontal market comparison, the Supervisory Board takes into account VARTA's market position, industry affiliation, size and global presence. In addition, the Supervisory Board takes into account the development of the Executive Board remuneration compared with the remuneration of VARTA's workforce in Germany. In this vertical comparison, it examines the relationship of the Executive Board remuneration to the remuneration of senior management and the rest of the workforce in the context of a market comparison. For this purpose, the Supervisory Board has defined the upper management echelon as follows: the senior management comprises the management team of the VARTA AG Group. The other workforce is made up of employees in Germany covered by collective bargaining agreements and non-tariff employees.

4. Application of the remuneration system in fiscal year 2021

a. Fixed remuneration components

The fixed remuneration consists of a fixed annual salary and fringe benefits. Each member of the Executive Board receives gross fixed remuneration. This is paid in twelve equal monthly instalments.

Each Executive Board member also receives fringe benefits. These include

- Allowance for private pension insurance,
- accident insurance,
- legal expenses insurance,
- the provision of a company car, which may also be used privately, and
- health and long-term care insurance contributions in application of Sections 257 SGB V and 61 SGB (German Social Code).

b. Variable remuneration components

The variable remuneration represents a significant portion of the total remuneration of the Executive Board members and includes the two remuneration components: (aa.) the short-term variable incentive (STI) and (bb.) the long-term variable incentive (LTI). STI and LTI are linked to the performance of the Executive Board and are designed to provide incentives for the implementation of the corporate strategy and for value-creating and long-term development of the Company while avoiding disproportionate risks.

In line with the applicable remuneration system, a key performance indicator and performance criteria have been defined for fiscal year 2021. They measure performance in various areas and also take into account the performance criterion of sustainability at individual target level.

aa. Short-term variable incentive (STI)

The Supervisory Board set individual non-financial targets for each member of the Executive Board at the beginning of the fiscal year. The individual targets are intended to promote the long-term sustainable success of the Company, the interests of shareholders and employees, environmental and social responsibility and the Company's compliance culture. The individual objectives took into account the sustainable and long-term development of the Company within the meaning of Section 87 (1) Sentence 2 of the German Stock Corporation Act (AktG). In particular, the aspects of environment, social affairs, employee development, governance/compliance, implementation of reorganization or efficiency enhancement projects, and specific operational and/or strategic objectives of great importance for the long-term sustainable development of the Company were taken into account. The weighting of targets was determined by the Supervisory Board together with the targets at the beginning of the fiscal year. Individual targets account for between 10% and 50% of the overall target. In each case, the STI is set is at the level of target achievement in a range from 0% to 200%.

The performance criteria are intended to incentivize Executive Board members to manage the company in a way that creates value and to achieve or exceed the economic targets. The Supervisory Board has the opportunity to positively influence business strategy and corporate development by setting individual targets. This is where it can act on an ad hoc and departmental basis and reflect the independent management of the respective department.

For the Chairman of the Executive Board, there was a contractual bonus arrangement for the first 9 months in accordance with the service contract valid up to that time and, pro rata from October 1, 2021, an STI arrangement in accordance with the new contract and new remuneration system. For the CFO, a service contract with an STI in accordance with the new remuneration system was already in place for the entire 2021 reporting year.

Bonus/STI calculation method for Herbert Schein

January 1 to 30 September 2021				
Bonus agreement (pro rata for 9 months)		3% of operating EBIT adjusted by a contractually agreed corrective amount	=	Payment of sum 1 in EUR
1 October to 31 December 2021				
	x	Weighting 87.5%	+	Weighting 12.5%
			=	Payment of sum 2 in EUR

STI target in EUR (pro rata for 3 months)	Corporate performance As per EBITDA (200% Cap)	Individual performance (200% Cap)	
	Payment is staggered from 0% to 200%		
	Target achievement	Bonus	
	Less than 50 %	No bonus	
	50 % - 95 %	0 % - 100 %	
	95 % -105 %	100 %	
	105 % - 150 %	100 % - 200 %	
Total of sums 1 and 2 = total sum to be paid			

STI calculation method for Armin Hessenberger

1 January - 31 December 2021						
Target in EUR	x	Weighting 50%	+	Weighting 50%	=	Payment of sum in EUR
		Corporate performance as per EBITDA (200% Cap)		Individual performance (200% Cap)		
Payment is staggered from 0% to 200%						
		Target achievement		Bonus		
		Less than 50 %		no bonus		
		50 % - 95 %		0 % - 100 %		
		95 % -105 %		100 %		
		105 % - 150 %		100 % - 200 %		

The company performance is determined according to the EBITDA of the consolidated financial statements of VARTA Aktiengesellschaft. The target achievement from the corporate performance and the individual performance can each be between 0 and 200%.

The overall target achievement results from the corporate and individual targets in accordance with the weighting defined in the contract.

The STI is paid out depending on the overall target achievement of the following bonus scale:

Target achievement	Bonus
Less than 50 %	No bonus
50 % - 95 %	0 % - 100 %
95 % -105 %	100 %
105 % - 150 %	100 % - 200 %

Herbert Schein's service contract, which was valid until September 30, 2021, provided for the operating EBIT of the consolidated financial statements of VARTA Aktiengesellschaft as of December 31, 2021, adjusted for special effects. Individual non-financial targets as well as an upper limit had not been agreed until then.

The Supervisory Board of the Company shall determine the target achievement and the resulting STI amount no later than by the end of the calendar month following adoption of the audited consolidated financial statements. Insofar as the Supervisory Board of the Company has discretion in determining the targets, the determination shall be made at its reasonable discretion. The STI amount is due for payment at the end of the month following adoption of the audited annual financial statements.

For the corporate performance element

For fiscal year 2021, the Supervisory Board of VARTA Aktiengesellschaft set a target EBITDA of EUR 275,000 thousand for the company's performance. With an EBITDA of EUR 282,179,000 achieved in fiscal year 2021, this resulted in target achievement of 103 %.

The (adjusted) operating EBIT relevant for Herbert Schein in the period up to September 30, 2021 amounts to EUR 186,510,000.

The target achievement under the remuneration system applicable in fiscal year 2021 or for Herbert Schein from October 1, 2021 and the respective resulting payout amounts are:

For the individual performance element

The individual targets of Herbert Schein comprise targets in categories organization, development and innovation (product conception).

The individual goals of Armin Hessenberger comprise targets in categories organization, investment decisions, employees and profitability.

Achievement of the individual targets for Herbert Schein 175 %.

Achievement of the individual targets of Armin Hessenberger 60%.

Overall target achievement in percent

Chief Executive Officer - Herbert Schein: $87.5 \% \times 103.0 + 12.5 \% \times 175.0 = 112 \%$

Chief Financial Officer - Armin Hessenberger: $50.0 \% \times 103.0 + 50.0 \% \times 60.0 = 81 \%$

Amounts paid out

Chief Executive Officer - Herbert Schein:

With target achievement of 112 %, the STI amount is calculated as follows for a target amount of EUR 1,200,000:

$$((1.12 - 1.05) \times (100 / 45) + 1) \times \text{EUR } 1,200,000 = \text{EUR } 1,392,000 \text{ for 12 months.}$$

For the period October to December 2021, the STI amount is therefore as follows:

$$\text{EUR } 1,392,000 \times 3 \text{ months} / 12 \text{ months} = \text{EUR } 348,000.$$

Chief Financial Officer – Armin Hessenberger:

With a target achievement of 81 %, the STI for a target amount of EUR 100,000 is as follows:

$$((0.81 - 0.95) \times (100 / 45) + 1) \times \text{EUR } 100,000 = \text{EUR } 69,000$$

In summary, the STI payout amounts for fiscal year 2021 are as follows:

Target achievement - Herbert Schein

January 1 to 30 September 2021						
(pro rata for 9 months)		3% of operating EBIT comprising EUR 186,510,000 + EUR 900,000 Sales & Lease-back		=	EUR 4,217.000	
October 1 – 31 December 2021						
EUR1,200,000 (pro rata for 3 months)	x	87,5 %	+	12,5 %	=	EUR 348,000
		Corporate performance as per EBITDA (200% Cap)		Individual performance (200% Cap)		
Total payable =					EUR 4,565,000	

Target achievement - Armin Hessenberger

January 1 to 31 December 2021						
EUR 100,000	x	50 %	+	50 %	=	EUR 69,000
		Corporate performance as per EBITDA (200% Cap)		Individual performance (200% Cap)		

bb. Long-term variable remuneration (LTI)

Target achievement of the LTI is determined in accordance with the rules applying to the STI. The target amount of the LTI (100%) is set specifically for the Executive Board Chairman and in each case for the other Executive Board members. The LTI is set in each case at the level of target achievement within a range of 0% to 200%.

To ensure that the Executive Board's activities focus on long-term, sustainable commitment to the Company, the Executive Board member must invest the amount to be paid out in the following fiscal year ("LTI amount") in shares of the Company subject to a four-year minimum holding period.

The annual LTI amount per Executive Board member is determined by the Supervisory Board at the end of the month following the adoption of the audited consolidated financial statements of the Company. The shares are purchased by an external service provider within a period of four weeks after the LTI amount has been determined in a blocked deposit account in compliance with the relevant statutory provisions, in particular the statutory regulations on insider trading and self-dealing by executives. In this way, sustainable growth of the Company can be promoted and incentives provided for a sustained increase in value.

After expiry of the respective holding period, the Executive Board member can freely dispose of the corresponding shares - in compliance with insider law regulations.

As Herbert Schein is only entitled to an LTI amount for the period October 1, 2021 to December 31, 2021, the LTI amount will be calculated accordingly on a pro rata basis.

There is no further obligation to purchase shares from other remuneration or from the personal assets of Executive Board members.

In fiscal year 2021 the following values resulted for the LTI in line with the analogous derivation of the STI

Chief Executive Officer - Herbert Schein: EUR 348,000

Chief Financial Officer - Armin Hessenberger: EUR 69,000

cc. Special remuneration

the Supervisory Board may, at its own discretion, decide to grant special remuneration in the event of extraordinary performance or success by a member of the Executive Board. This option did not apply in fiscal year 2021.

c. Malus & Clawback

The Supervisory Board has the option of withholding or reclaiming the short-term and long-term variable incentive remuneration in the event of a serious breach of duty.

In the event of a grossly negligent or intentional breach of the duties of care of a prudent and conscientious manager (Section 93 (1) AktG) by a member of the Executive Board, the Company is, in particular, entitled to demand full or partial return of variable incentive remuneration components (STI and/or LTI) paid out to the Executive Board member for the respective assessment period in which the breach of duty occurred, or to withhold such components if they have not yet been paid out.

If the variable incentive remuneration components linked to the achievement of specific targets were wrongly paid out on the basis of incorrect data, the Company is entitled to demand the return of the difference resulting from the recalculation of the amount of the variable remuneration compared with the payment made, where this amount exceeds 10%.

In fiscal year 2021, the Supervisory Board of the Company had no reason to make use of the option to reduce or reclaim variable incentive remuneration.

d. Disclosures on benefits in the case of departure

The contractual arrangements for Executive Board members in office in fiscal year 2021 stipulate that, in the event of premature termination of Executive Board duties without good cause on the part of an Executive Board member, severance payments may not exceed two years' remuneration including fringe benefits and may not exceed the remaining term of the service contract (severance payment cap). A severance payment cap of a maximum of one year's remuneration was agreed in the service contract with Steffen Munz. The severance payment cap is calculated on the basis of the total remuneration for the past fiscal year and, if applicable, the expected total remuneration for the current fiscal year.

In the event of premature termination of his employment by the Company without good cause within the meaning of Section 626 BGB (German Civil Code) or in the event of permanent occupational disability, Herbert Schein is contractually guaranteed a severance payment as a one-time payment equivalent to 1.5 times his gross annual target remuneration.

Executive Board members leaving are prohibited from competing with the Company for a period of 24 months after the end of their service contracts (subsequent non-competition covenants).

For this purpose, the Company has undertaken to pay Herbert Schein a monthly waiting allowance equal to 50% of the contractual benefits last received by him as Executive Board member for each month of the prohibition. The contractual waiting allowance for Armin Hessenberger amounts to EUR 18,750. The service contract of Steffen Munz provided for a monthly waiting allowance amounting to 60% of the remuneration last received.

The Company may waive the subsequent non-competition covenants by written declaration before the end of the service agreement with the effect that the Company is released from the obligation to pay a waiting allowance on expiry of twelve months in the case of Herbert Schein or six months in the case of Armin Hessenberger and Steffen Munz after the declaration.

e. Information on benefits provided by third parties

The Executive Board did not receive any benefits from third parties in the reporting period.

5. Information on the Executive Board remuneration for fiscal year 2021

Pursuant to Section 162 (1) AktG, the remuneration paid to and owed to each individual member of the Executive Board in the last fiscal year must be disclosed. Pursuant to Section 162 (1) sentence 2 no. 1 AktG, this includes all fixed and variable remuneration components and their respective relative proportions for each member of the Executive Board.

All amounts actually received by the individual members of the Executive Board in the reporting year (remuneration paid) and all remuneration legally accrued but not yet received (remuneration owed) must be disclosed.

The STI and LTI amounts shown correspond to payments for fiscal year 2021. The reason for this is that the Executive Board members have fully performed the activity that is the basis for both the STI amount and the LTI amount in fiscal year 2021. The STI/LTI amounts for fiscal year 2021 are therefore regarded as "remuneration owing". In this way, the link between the salary and the company's performance during the fiscal year can be presented in an understandable and transparent way.

a. Information on remuneration paid and remuneration owing

The table below gives an overview over the total remuneration paid and owed to Executive Board members in office.

Remuneration paid and owed for fiscal year 2021 – Herber Schein		
	in €'000	in %
Salary	585	11%
Fringe benefits	80	1%
Total fixed remuneration	665	12%
Total STI and LTI	4,913	88%
STI 2021	4,565 ¹	82%
LTI 2021	348	6%
Remuneration granted and owed in accordance with Section 162 AktG	5,578	100%

¹ STI 2021 comprises EUR 4.217,000 for January - September and EUR 348,000 for October to December.

Remuneration paid and owed for fiscal year 2021 - Armin Hessenberger		
	in €'000	in %
Salary	300	66%
Fringe benefits	14	3%
Total fixed remuneration	314	69%
Total STI and LTI	138	31%
STI 2021	69	15%
LTI 2021	69	15%
Remuneration granted and owed in accordance with Section 162 AktG	452	100%

b. Information on remuneration of former Executive Board members

Former Executive Board member Mr. Steffen Munz left the Company's Executive Board prematurely as of December 31, 2020. His service contract ended on January 31, 2021.

The contractual service agreements prior to the entry into force of the new remuneration system were still applicable until Steffen Munz's departure. In addition to a fixed monthly salary of EUR 22,083.33, these agreements also provided for variable remuneration per fiscal year amounting to

45% of the fixed annual salary in the event of target achievement of 100%. The maximum target achievement was 200%. Corporate performance targets (adjusted EBITDA) were weighted at 75%, individual targets at 25%.

In a termination agreement, the Company and Steffen Munz agreed to continue to pay his remuneration until the end of his service contract and to base the variable remuneration for fiscal years 2020 and 2021 on a target achievement of 200%. For the month of January 2021, Steffen Munz accordingly received a variable remuneration payment of EUR 19,875 gross and for fiscal year 2020, he was granted and owed EUR 238,500.

Steffen Munz's service contract specified subsequent non-competition covenants after termination of his service contract. Monthly remuneration payments in the amount of one-twelfth of 60% of his most recently received remuneration were stipulated as his remuneration. The Company waived the subsequent non-competition covenant vis-à-vis Steffen Munz by unilateral declaration. For February 2021 and four days of March 2021, a waiting allowance in the gross amount of EUR 178,065 was paid in 2021.

The following table provides an overview of the total remuneration granted and owed to former Executive Board member Steffen Munz for fiscal year 2021.

Remuneration paid and owed for fiscal year 2021 - Steffen Munz		
	in €'000	in %
Salary	22	10%
Fringe benefits	3	1%
Total fixed remuneration	25	11%
Total STI and LTI	20	9%
STI 2021	20	9%
LTI 2021	-	0%
Waiting remuneration	178	80%
Remuneration granted and owed in accordance with Section 162 AktG	223	100%

II. Remuneration of members of the Supervisory of VARTA AKTIENGESELLSCHAFT

1. Change in the composition of the Supervisory Board

The terms of office of Supervisory Board members Prof. DDr. Michael Tojner, Dipl.-Ing. Frank Dieter Maier, Dr. Harald Sommerer, Sven Quandt, Dr. Michael Pistauer and Dr. Georg Blumauer all ended at the close of the 2021 Annual General Meeting on June 17, 2021, so that new elections were necessary. Dipl.-Ing. Frank Dieter Maier and Dr. Georg Blumauer did not stand for re-election.

At the Annual General Meeting 2021, the shareholders elected Prof. DDr. Michael Tojner, Dr. Harald Sommerer, Sven Quandt, Martin Ohneberg, Prof. Dr. Werner Tillmetz and Dr. Michael Pistauer (again) as members of the Supervisory Board by way of individual election, in each case until the end of the Annual General Meeting that decides on the discharge for fiscal year 2025.

2. Remuneration system of the Supervisory Board

In accordance with the Articles of Association, each member of the Supervisory Board of the Company receives fixed payable remuneration of EUR 40,000.00 in addition to reimbursement of reasonable expenses. The remuneration structure for the Supervisory Board of the Company therefore complies with recommendations G.17 and G.18 of the GCGC on Supervisory Board remuneration as amended on December 16, 2019.

In recommendation G.17, the GCGC (German Corporate Governance Code) recommends that the chairmanship and deputy chairmanship of the Supervisory Board as well as the chairmanship and membership of committees be taken into account in the remuneration arrangements. Accordingly, the Company's Articles of Association provide that the Chairman of the Supervisory Board and the Deputy Chairman of the Supervisory Board each receive fixed annual remuneration of EUR 100,000 and EUR 60,000, respectively, in addition to reimbursement of their expenses. The assumption of memberships in committees and chairmanships in committees is remunerated separately.

The chairman of a committee receives EUR 15,000, members of committees EUR 7,500.00. The maximum additional remuneration for Supervisory Board members for their functions in committees is limited to EUR 30,000. Members of the Supervisory Board who have not belonged to the Supervisory Board for a full financial year receive the resulting remuneration pro rata temporis in the amount of one-twelfth for each month or part thereof of their activity.

3. Remuneration of the Supervisory Board for fiscal year 2021

The remuneration of individual members of the Supervisory Board for the fiscal year 2021 pursuant to Section 162 (1) Sentence 1 AktG is as follows. As the Supervisory Board members Martin Ohneberg and Prof. Dr. Werner Tillmetz were appointed as members of the Supervisory Board for the first time at the Annual General Meeting 2021, they will each receive pro rata remuneration from June 17, 2021. Accordingly, Dipl.-Ing. Frank Dieter Maier and Dr. Georg Blumauer were remunerated pro rata temporis until June 17, 2022.

Supervisory Board members in office

Supervisory Board member		Basic salary	Additional remuneration for committee work	Total remuneration
Prof. DDr. Michael Tojner	In €'000	100	30	130
	in %	77	23	100
Dr. Harald Sommerer	In €'000	60	30	90
	in %	67	33	100
Sven Quandt	In €'000	40	23	63
	in %	63	37	100
Dr. Michael Pistauer	In €'000	40	12	52
	in %	77	23	100

Martin Ohneberg ¹	In €'000	23	9	32
	in %	72	28	100
Prof. Dr. Werner Tillmetz ²	In €'000	23	9	32
	in %	72	28	100

Former Supervisory Board members

Supervisory Board member		Basic salary	Additional remuneration for committee work	Total remuneration
Dipl.-Ing. Frank Dieter Maier ³	In €'000	20	8	28
	in %	71	29	100
Dr. Georg Blumauer ⁴	In €'000	20	4	24
	in %	83	17	100

¹ Martin Ohneberg appointed to Supervisory Board on 17.06.2021

² Prof. Dr. Werner Tillmetz appointed to the Supervisory Board on 17.06.2021

³ Dipl.-Ing. Frank Dieter Maier was a member of the Supervisory Board until 17.06.2021

⁴ Dr. Georg Blumauer was a member of the Supervisory Board until 17.06.2021

III. Comparative presentation of remuneration and earnings development

The table below shows a comparative presentation of the annual change in the Company's remuneration and earnings performance. In accordance with Section 26j (2) sentence 2 of the Introductory Act to the Stock Corporation Act (EGAktG), disclosure of the change in the average remuneration of employees on a full-time equivalent basis is only given for the change from fiscal year 2020 to fiscal year 2021.

	2020		2021
	in €'000	in %	In €'000
Earnings development of the Company			
Net income of VARTA AG (HGB)	70,091	55	108,673
EBIT of the VARTA AG Group (IFRS)	146,014	28	186,510
Executive Board remuneration			
Executive Board members in office			
Herbert Schein	4,883	14	5,578
Armin Hessenberger ¹	321 ¹	41	452
Former Executive Board members			
Steffen Munz ²	7,946 ²	-97	223
Supervisory Board remuneration			
Supervisory Board members in office			
Prof. DDr. Michael Tojner	130	0	130
Dr. Harald Sommerer	90	0	90
Sven Quandt	63	0	63
Dr. Michael Pistauer	48	8	52
Martin Ohneberg (from 17.06.2021)	0	-	32
Prof. Dr. Werner Tillmetz (from 17.06.2021)	0	-	32
Former Supervisory Board members			
Dipl.-Ing. Frank Dieter Maier (up to 17.06.2021)	0	-	28
Dr. Georg Blumauer (up to 17.06.2021)	48	-50	24
Average earning for the year of a full time (or equivalent) employee*	57	7	61

* Calculation of the average remuneration of all employees (collectively agreed and non collectively agreed) of the German Group of companies

¹Armin Hessenberger received a one-time onboard bonus of EUR 168 thousand in 2020 and pro-rata remuneration for the period from October 01, 2020 to December 31, 2020.

² In the 2020 financial year, the contractually agreed special payment (value added bonus in the amount of EUR 7.385 million) was earned.

⁴Mr. Steffen Munz left the Executive Board with effect from December 31, 2020 and his employment ended with effect from January 31, 2021.

The remuneration shown corresponds to the total remuneration granted and owed to members of the Executive Board and Supervisory Board within the meaning of Section 162 (1) sentence 1 AktG.

The remuneration actually granted and owed to members of the Executive Board and Supervisory Board is subject to annual fluctuations. In the case of Executive Board members, this is mainly due to corporate and individual performance, while Supervisory Board remuneration varies according to the meeting-related work performed by individual Supervisory Board members.

IV. Other

At the proposal of the HR Committee, the Supervisory Board may in exceptional cases temporarily deviate from the components of the Executive Board remuneration system if this is appropriate and necessary to maintain the incentive effect of Executive Board member remuneration, if this is in the interests of the long-term health of the Company. Executive Board member remuneration continues to be geared to the long-term sustainable development of the Company and to ensure that the Company's financial performance remains assured. Exceptional developments include, for example, extraordinary and far-reaching changes in the economic situation (for example, as a result of a severe economic or corporate crisis) which render the original target criteria and/or financial incentives of the remuneration system obsolete, provided that these or their specific effects were not foreseeable. Generally unfavorable market developments are not considered extraordinary developments. The components of the remuneration system from which deviations may be made are the procedure, the regulations governing the remuneration structure and amount, and the individual remuneration components. If an adjustment of the existing remuneration components is not sufficient to restore the incentive effect of Executive Board member remuneration, the Supervisory Board is entitled to temporarily grant additional remuneration components in the event of extraordinary developments under the same conditions. A deviation from or supplement to the remuneration components is only possible by way of a corresponding Supervisory Board resolution on the prior proposal of the HR Committee, which determines the exceptional circumstances and the need for a deviation or supplement.