

HORNBACH Holding AG & Co. KGaA

Neustadt an der Weinstrasse

ISIN DE0006083405

Unique Identifier of the Event: HBH072024oHV

INVITATION TO THE ANNUAL GENERAL MEETING

We hereby invite our shareholders to attend our
Annual General Meeting
to be held at Jugendstil-Festhalle Landau, Mahlastrasse 3,
76829 Landau in der Pfalz,
at 10.00 a.m. (CEST) on Friday, July 5, 2024.

HORNBACH.
Holding

Overview with information pursuant to § 125 of the German Stock Corporation Act (AktG) in conjunction with Table 3 of the Implementing Regulation (EU) 2018/1212 (EU-IR)

A. Specification of the message

Unique identifier of the event	Annual General Meeting 2024 of HORNBACH Holding AG & Co. KGaA <i>(formal indication pursuant to EU-IR: HBH072024oHV)</i>
Type of message	Notice of Annual General Meeting <i>(formal indication pursuant to EU-IR: NEWM)</i>

B. Specification of the issuer

ISIN	DE0006083405
Name of issuer	HORNBACH Holding AG & Co. KGaA

C. Specification of general meeting

Date of general meeting	07.05.2024 <i>(formal indication pursuant to EU-IR: 20240705)</i>
Time of general meeting (start)	Start: 10:00 a.m. CEST <i>(formal indication pursuant to EU-IR: 08:00 UTC)</i>
Type of general meeting	Annual General Meeting <i>(formal indication pursuant to EU-IR: GMET)</i>
Location of general meeting	Jugendstil-Festhalle Landau, Mahlastraße 3, 76829 Landau in der Pfalz, Germany
Record date	06.13.2024, 24:00 CEST <i>(formal indication pursuant to EU-IR: 20240613, 22:00 UTC)</i>
Uniform resource locator of general meeting/URL	www.hornbach-holding.de/en/investor-relations/annual-general-meeting

Other disclosures

Voting	The votes on Agenda Items 1, 2, 3, 4, 5, 7, 8 and 9 are of a binding nature in each case <i>(formal indication pursuant to EU-IR: BV)</i> The vote on Agenda Item 6 is of an advisory nature <i>(formal indication pursuant to EU-IR: AV)</i>
Alternative voting options	The following voting options are available for each of Agenda Items 1 to 9: vote in favor, vote against, abstention <i>(formal indications pursuant to EU-IR: VF, VA, AB)</i>

Blocks D to F

Further information on

- Participation in general meeting (Block D)
- The agenda (Block E), and
- The specification of the deadlines regarding the exercise of other shareholders' rights (Block F)

can be found on the following website:

www.hornbach-holding.de/en/investor-relations/annual-general-meeting

I. AGENDA

- 1. Presentation of the annual financial statements and the consolidated financial statements approved by the Supervisory Board for the 2023/24 financial year, the combined management report for HORNBAACH Holding AG & Co. KGaA and the Group, the report of the Supervisory Board, and the explanatory report of the General Partner in respect of the disclosures made pursuant to § 289a and § 315a of the German Commercial Code (*Handelsgesetzbuch* – HGB); resolution on the adoption of the annual financial statements of HORNBAACH Holding AG & Co. KGaA for the 2023/24 financial year**

The Supervisory Board has approved the annual financial statements and the consolidated financial statements prepared by the General Partner in accordance with § 171 German Stock Corporation Act (*Aktengesetz* – AktG). Pursuant to § 286 (1) AktG, the Annual General Meeting passes a resolution on the adoption of the annual financial statements. The remaining documents are to be made available to the Annual General Meeting without any further resolution required in this respect.

The General Partner and the Supervisory Board propose the adoption of the annual financial statements in the version presented in which a net profit of € 73,103,393.16 is reported.

- 2. Resolution on the appropriation of net profit for the 2023/24 financial year**

The General Partner and the Supervisory Board propose to appropriate the net profit reported for the 2023/24 financial year amounting to € 73,103,393.16 as follows:

Distribution of a dividend of € 2.40 per no-par ordinary share	€ 38,377,936.80
Balance carried forward	€ 34,725,456.36

The proposal in respect of the appropriation of net profit is based on the existing number of no-par ordinary shares with dividend entitlement at the time at which the General Partner and Supervisory Board adopted the proposal. Should the number of no-par ordinary shares with dividend entitlement change before the time at which the Annual General Meeting adopts its resolution, a suitably amended proposal in respect of the appropriation of net profit will be submitted for resolution by the Annual General Meeting; this will still provide for a dividend of € 2.40 per no-par ordinary share with dividend entitlement and a correspondingly adjusted balance carried forward. The resolution adopted will therefore still utilize net profit in its entirety. The company currently holds 9,193 treasury stocks which do not have dividend entitlement.

Pursuant to § 58 (4) Sentence 2 AktG, the claim to payment of the dividend matures on the third working day following the adoption of the resolution by the Annual General Meeting, i.e. on July 10, 2024.

- 3. Resolution on approval of General Partner's actions in the 2023/24 financial year**

The General Partner and Supervisory Board propose that the actions of the General Partner in the 2023/24 financial year be approved for this period.

- 4. Resolution on approval of Supervisory Board members' actions in the 2023/24 financial year**

The General Partner and Supervisory Board propose that the actions of the members of the Supervisory Board in the 2023/24 financial year be approved for this period.

5. Election of auditor and Group auditor for the 2024/25 financial year and of auditor for the audit review of the half-year financial report for the 2024/25 financial year

Based on the recommendation made by the Audit Committee, the Supervisory Board proposes that Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, should be elected as auditor and Group auditor for the 2024/25 financial year and as auditor for the audit review of the condensed interim consolidated financial statements and interim management report for the first half of the 2024/25 financial year pursuant to § 115 (5) and § 117 No. 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz – WpHG*).

The Audit Committee declared that its recommendation was free of undue influence by third parties and that no clauses restricting its selection of the type referred to in Article 16 (6) of the EU Audit Regulation had been imposed.

6. Resolution on approval of remuneration report

Pursuant to § 278 (3) and § 162 AktG, the General Partner and the Supervisory Board are required to prepare a remuneration report and to submit this to the Annual General Meeting for approval pursuant to § 278 (3) and § 120a (4) AktG. As § 162 AktG only refers to the remuneration of members of the Board of Management and Supervisory Board and as the company does not have a Board of Management, the company believes that the remuneration report could be limited to presenting the remuneration of the Supervisory Board. In the interests of transparency, however, the remuneration report also presents the remuneration of the Board of Management and the Supervisory Board of the General Partner.

The remuneration report has been audited by the auditor pursuant to § 162 (3) AktG to ascertain whether the legally required disclosures pursuant to § 162 (1) and (2) AktG have been made. The audit opinion on the audit of the remuneration report is appended to the remuneration report.

The General Partner and Supervisory Board propose the approval of the remuneration report for the 2023/24 financial year, which has been prepared and audited in accordance with § 278 (3) and § 162 AktG.

The remuneration report is presented in Section II.1. and can also be viewed at our website at <https://www.hornbach-holding.de/en/company/corporate-governance/remuneration-report> from the date on which the Annual General Meeting is convened. The remuneration report will also be available for inspection during the Annual General Meeting.

7. Resolutions on amendments to the Articles of Association

The General Partner and Supervisory Board propose adopting the following amendments to the Articles of association:

7.1. Amendment to § 20 (2) Sentence 2 of the Articles of Association – Participation Entitlement

In § 20 (1), the Articles of Association stipulate that shareholders wishing to participate in the Annual General Meeting or exercise their voting rights must submit documentary proof of their entitlement to do so. According to § 20 (2), Sentence 2 of the Articles of Association, the documentary proof must be valid as of the beginning of the 21st day prior to the Annual General Meeting.

With the German Act to Finance Futureproof Investments (German Future Financing Act – *Zukunftsfinanzierungsgesetz*), which took effect on December 15, 2023, lawmakers reformulated § 123 (4) Sentence 2 AktG. As a result of the new version, the documentary proof now has to refer to “the close of business on the 22nd day prior to the Annual General Meeting”.

To account for the amended legal wording, it is intended to amend § 20 (2) Sentence 2 of the Articles of Association in line with the requirement of stock corporation law.

The General Partner and Supervisory Board therefore propose reformulating § 20 (2) Sentence 2 of the Articles of Association as follows:

“The documentary proof must be valid as of the close of business on the 22nd day prior to the Annual General Meeting.”

Apart from this, § 20 of the Articles of Association is to be left unchanged.

7.2. Addition to § 19 of the Articles of Association – Convening of Annual General Meeting

It is becoming increasingly customary to transmit parts or all of annual general meetings on the internet.

The General Partner and Supervisory Board therefore propose supplementing § 19 of the Articles of Association with the following new Sentence 2:

“The General Partner is authorized to permit the full or partial video and audio transmission of the Annual General Meeting.”

Apart from this, § 19 of the Articles of Association is to be left unchanged.

7.3 Amendment to § 9 of the Articles of Association – Composition of Supervisory Board, Election of Supervisory Board Members and Substitute Members, Term of Office – and of § 10 of the Articles of Association – Chair, Deputy Chair

To date, § 10 (1) Sentence 1 of the company’s Articles of Association has in principle provided for a uniform term of office for Supervisory Board members. Pursuant to § 9 (3) Sentence 2 of the Articles of Association, where a Supervisory Board is elected to replace a retiring member, such substitute member has to date been elected for the remainder of the term of office of the retiring member. In future, the Articles of Association should permit the establishment of a rotating system for the Supervisory Board (staggered board). At the same time, the future duration of the term of office should be shortened to a maximum of four years, with this new requirement only being applied to future elections to the Supervisory Board.

The General Partner and Supervisory Board propose adopting the following resolution:

§ 9 (2) of the Articles of Association shall be reformulated as follows:

“Unless a shorter term of office is stipulated upon their election, Supervisory Board members are elected for the period through to the conclusion of the Annual General Meeting formally approving their actions for the third financial year after the beginning of their term of office. The financial year in which the term of office begins is not counted in this calculation. Re-election is permitted.”

§ 9 (3) Sentence 2 of the Articles of Association shall be deleted without replacement. § 9 (3) Sentence 3 of the Articles of Association shall become Sentence 2.

Apart from this, § 9 (3) of the Articles of Association is to be left unchanged.

§ 10 (1) of the Articles of Association shall be reformulated as follows:

“The Supervisory Board elects a Chair and a Deputy Chair from among its number for the term of office of each member thereby elected.”

8. Resolution on authorization to acquire and use treasury stocks pursuant to § 71 (1) No. 8 AktG with potential exclusion of subscription rights and of any tender rights and with the option of retiring treasury stocks

To provide the company with greater flexibility in shaping its financing structure, the General Partner and Supervisory Board deem it expedient for the company to be able to acquire treasury stocks to an appropriate extent, also at short notice if applicable, and to reissue or retire any treasury stocks thereby bought back, also to the exclusion of subscription rights if appropriate.

In view of this, the General Partner and Supervisory Board propose adopting the following resolution:

- a) The General Partner is authorized through to the expiry of July 4, 2026 to acquire treasury stocks in the company in a volume of up to a total of 10% of current share capital or, if such amount is lower, of the share capital at the time at which this authorization is exercised for every purpose permitted by § 71 (1) No. 8 AktG in accordance with statutory limitations and the conditions stipulated in greater detail below. Together with treasury stocks that are acquired for other reasons and that are in the possession of the company or attributable to it pursuant to § 71d and § 71e AktG, the shares acquired on the basis of this authorization may at no time exceed 10% of the company's share capital.

This authorization may be exercised in whole or in partial amounts, on one or several occasions, and for one or several purposes within the aforementioned restriction. The acquisition may also be conducted by Group companies dependent on HORNBAACH Holding AG & Co. KGaA pursuant to § 17 AktG or by third parties acting on its or their behalf.

The acquisition is performed in accordance with the principle of equality (§ 53a AktG) and, at the discretion of the General Partner, either via the stock market or by way of a public purchase offer addressed to all shareholders. The acquisition may not serve the purpose of trading in treasury stocks. Due account must also be taken of the requirements of § 71 (2) Sentences 2 and 3 AktG.

- aa) If the treasury stocks are acquired via the stock market, the purchase price per share (excluding ancillary purchase costs) may not exceed or undercut the share price determined by opening auction on the day of the trade in the XETRA trading system of the Frankfurt Stock Exchange (or any functionally comparable successor system) by more than 10%.
- bb) If the treasury stocks are acquired outside the stock market by way of a public purchase offer addressed to all shareholders, the offer price per share and the limits of the purchase price range offered (excluding ancillary purchase costs in each case) may not exceed or undercut the average stock market price of the share on the Frankfurt Stock Exchange on the three stock market trading days preceding the definitive decision taken by the General Partner in respect of the offer by more than 10%; here, the average stock market price is determined on the basis of the arithmetic mean of the closing auction prices of the HORNBAACH Holding AG & Co. KGaA share in the XETRA trading system of the Frankfurt Stock Exchange (or any functionally comparable successor system). The purchase offer may be amended if, subsequent to its publication, substantial variances arise between the relevant share price and the purchase price thereby offered. In this case, reference is made to the arithmetic mean of the closing auction prices of the HORNBAACH Holding AG & Co. KGaA share in the XETRA trading system of the Frankfurt Stock Exchange (or any functionally comparable successor system) on the three stock market trading days preceding the decision taken by the General Partner in respect of such amendment, with the 10% limit being applied to the excess over or shortfall to this amount.

The offer volume may be limited. Should the total number of shares tendered exceed this volume, the acquisition may be executed based on the ratio of shares tendered (tender quotas); furthermore, preferential acceptance of low volumes (up to 100 shares per shareholder) may be provided for, as may the rounding up or down of numbers of shares in accordance with commercial principles in order to avoid arithmetic fractions of shares. More extensive tender rights on the part of shareholders are thus excluded.

- cc) If the treasury stocks are acquired by way of a public request addressed to all shareholders to submit sell offers, the company will determine a purchase price range per share within which such offers may be submitted. The purchase price may be amended if, within the offer deadline, substantial variances arise compared with the price at the time at which the request to submit sell offers was published. The purchase price per share (excluding ancillary purchase costs) payable by the company, which is determined by the company on the basis of the sell offers received, may not exceed under undercut the average unweighted closing prices of company shares of the same class in the XETRA trading system

(or any functionally comparable successor system) on the three stock market trading days preceding acceptance of the sell offers by more than 10%.

The acceptance volume may be limited. If, due to the volume limit, not all of several equivalent sell offers can be accepted, the acquisition may be based on the tender quotas rather than the respective levels of shareholding, with a resultant partial exclusion of any potential statutory tender rights on the part of shareholders. Furthermore, also with a resultant partial exclusion of potential statutory tender rights on the part of shareholders, preferential acceptance of lower volumes of up to 100 shares tendered per shareholder may be provided for, as may the rounding up or down of numbers of shares in accordance with commercial principles in order to avoid arithmetic fractions of shares.

- dd) If the acquisition is executed by way of tender rights made available by the company to shareholders ("created tender rights"), these may be allocated per share in the company. Based on the ratio of the company's share capital to the volume of shares to be bought back by the company, a stipulated number of created tender rights entitle their holder to sell one share in the company to such. Created tender rights may also be allocated in such a way that one created tender right is allocated for each number of shares based on the ratio of share capital to the buyback volume. Fractions of created tender rights are not allocated; in this case, the corresponding partial tender rights are excluded. The price or the limits of the purchase price range offered (excluding ancillary purchase costs in each case) at which, when the created tender rights are exercised, one share in the company may be sold, are determined in accordance with the requirements of the preceding Paragraph bb). The relevant effective date is that on which the General Partner definitively decides on the buyback offer involving the granting of tender rights; this may be amended if applicable, in which case the relevant effective date is that on which the General Partner definitively decides on the amendment. The General Partner determines the more specific structure of created tender rights, and in particular their contents, terms, and, if applicable, their tradability.
- ee) For a buyback, a bank, investment firm or any other company meeting the requirements of § 186 (5) Sentence 1 AktG (collectively: emitting companies) may also be commissioned to purchase either a previously agreed number of shares or shares for a previously determined total purchase price either on a previously determined minimum number of trading days or through to the expiry of a previously agreed period and then to transfer these shares to the company. In purchasing the shares to be supplied on the stock market, the emitting company must in turn account for the principle of equality (§ 53a AktG) and purchase the shares at prices within the range defined under aa).
- b) The General Partner is authorized to use the treasury stocks acquired for all purposes permitted by law and specifically to sell these either in full or in part via the stock market or by addressing an offer to all shareholders while accounting for the principle of equality pursuant to § 53a AktG. In respect of the acquired shares, the General Partner is further authorized
 - aa) subject to approval by the Supervisory Board to sell these in ways other than via the stock market or by addressing a sale offer to all shareholders if the shares are sold in return for cash payment at a price that does not fall materially short of the stock market price of company shares in the XETRA trading system of the Frankfurt Stock Exchange (or any functionally comparable successor system) at the time at which the sale price is definitively set; this authorization is limited to a total of 10% of the company's share capital at the time at which the Annual General Meeting adopts the respective resolution on July 5, 2024 or, if lower, 10% of the company's share capital at the time at which the shares are sold. The authorization volume is reduced by the prorated amount of share capital attributable to shares or to the conversion or option rights or obligations resulting from bonds issued or sold since July 5, 2024 to the exclusion of subscription rights with direct, corresponding, or analogous application of § 186 (3) Sentence 4 AktG;
 - bb) subject to approval by the Supervisory Board to grant these as consideration, particularly in the context of combinations with other companies or the acquisition of companies, parts of companies, or shareholdings in companies, or of other assets or rights to acquire assets, including receivables due from the company or its shareholdings;
 - cc) to retire these, with such retirement or its execution not requiring any further resolution by the Annual General Meeting. Such retirement results in a reduction in capital. Diverging from this, the General Partner may determine

that the share capital remains unchanged upon such retirement and rather draw on such retirement to raise the share of share capital attributable to other shares pursuant to § 8 (3) AktG. In such case, the General Partner is authorized to amend the disclosure of the respective numbers in the Articles of Association.

The authorizations set out in aa) to cc) may be drawn on in whole or for partial amounts, on one or several occasions, and individually or collectively.

The authorizations set out in aa) and bb) may also be utilized on behalf of HORNBAACH Holding AG & Co. KGaA by Group companies dependent on HORNBAACH Holding AG & Co. KGaA pursuant to § 17 AktG or by third parties acting on its or their behalf. Shareholders' subscription rights to company treasury stocks are excluded to the extent that such shares are used in accordance with the aforementioned authorizations in aa) and/or bb). Furthermore, subject to approval by the Supervisory Board the General Partner may exclude subscription rights for fractional amounts in the event of the treasury stocks being sold in the context of an offer addressed to all shareholders.

9. Resolution on authorization to deploy derivatives in connection with the acquisition of treasury stocks pursuant to § 71 Abs. 1 No. 8 AktG with potential exclusion of subscription rights and of any tender rights

To supplement the authorization proposed in Agenda Item 8 in respect of the acquisition of treasury stocks, the company is to be authorized pursuant to § 71 (1) No. 8 AktG to acquire treasury stocks by deploying derivatives.

The General Partner and Supervisory Board propose adopting the following resolution:

- a) To supplement the authorization to be resolved by the Annual General Meeting on July 5, 2024 in respect of Agenda Item 8, the acquisition of treasury stocks may be executed not only in the manners set out therein, but also in whole or in part by (1) selling options which, if exercised, oblige the company to acquire treasury stocks ("put options"), (2) acquiring options which, if exercised, entitle the company to acquire treasury stocks ("call options"), (3) forward purchases by means of which the company acquires treasury stocks at a stipulated future date, or (4) deploying a combination of put options, call options, and/or forward purchases (collectively also referred to as "derivatives" or "derivative transactions").
- b) The derivative transactions must be concluded with an independent bank or investment firm or another company meeting the requirements of § 186 (5) Sentence 1 AktG, or with a consortium of such firms or companies. The conditions underlying the derivative transaction must in each case ensure that the derivatives are only serviced with shares that are in turn were acquired in accordance with the principle of equality.
- c) Furthermore, all acquisitions of shares executed by deploying derivatives are limited in scope to shares corresponding to a maximum of 5% of share capital at the time at which this authorization takes effect or, if the following value is lower, at the time at which this authorization is drawn on. The term of individual derivatives may not exceed 18 months and must be selected such that the acquisition of shares resulting from exercising or settling the derivatives may not occur after July 4, 2026.
- d) The option premium paid or received by the company for call options and put options respectively may not materially exceed or undercut the theoretical market value of the respective options calculated using recognized mathematical methods; among other inputs, this calculation must account for the agreed exercise price. The forward price agreed by the company in forward purchases may not materially exceed the theoretical forward price calculated using recognized mathematical methods; among other inputs, this calculation must account for the current share price and the term of the forward purchase.
- e) The counter-value payable for the shares upon the options being exercised or the forward purchase maturing, i.e. the exercise or acquisition price, may not exceed or undercut the average stock market price of the HORNBAACH Holding AG & Co. KGaA share on the Frankfurt Stock Exchange on the five stock marketing trading days preceding the conclusion of the respective option transaction or forward purchase by more than 10% (in each case excluding ancillary purchase costs but including the option premium received or paid); here, the average price is determined on the basis of the arithmetic mean of the closing auction prices of the HORNBAACH Holding AG & Co. KGaA share in the XETRA trading system of the Frankfurt Stock Exchange (or any functionally comparable successor system).
- f) If treasury stocks are acquired by deploying derivatives in accordance with the aforementioned requirements, the right of shareholders to conclude such derivative transactions with the company is excluded with corresponding application of § 186

(3) Sentence 4 AktG. Shareholders are only entitled to tender their shares to the company to the extent that the derivative transactions result in an obligation on the part of the company towards shareholders to accept such shares. Any more extensive tender rights are excluded.

- g) The requirements resolved by the Annual General Meeting on July 5, 2024 in respect of Agenda 8, Letter b) apply by analogy to the use of treasury stocks acquired by deploying derivatives.

II. Reports and Information on Agenda Items

1. Remuneration report

“2023/24 Remuneration Report

HORNBACH Holding AG & Co. KGaA is a publicly listed company with the legal form of a partnership limited by shares (*Kommanditgesellschaft auf Aktien* – “**KGaA**”). Pursuant to § 162 of the German Stock Corporation Act (*Aktiengesetz* – “**AktG**”), the “management and supervisory boards of the listed company [...] are required to prepare a clear and understandable report each year on the remuneration granted and owed to each individual current or former member of the management and supervisory boards of the company and of companies within the same group (§ 290 of the German Commercial Code (*Handelsgesetzbuch* – “**HGB**”). As a KGaA, HORNBACH Holding AG & Co. KGaA has a Supervisory Board, but does not have a Board of Management. The management of HORNBACH Holding AG & Co. KGaA is instead incumbent on the unlisted company HORNBACH Management AG as the General Partner. HORNBACH Management AG has a Supervisory Board and a Board of Management.

The Supervisory Board of HORNBACH Holding AG & Co. KGaA and the General Partner HORNBACH Management AG compiled a remuneration report pursuant to § 162 AktG for the first time for the 2021/22 financial year. The Annual General Meeting of HORNBACH Holding AG & Co. KGaA on July 7, 2023 approved the most recent remuneration report for the 2022/23 financial year with a majority of 98.41% of the votes cast. The Supervisory Board of HORNBACH Holding AG & Co. KGaA and the General Partner HORNBACH Management AG have again compiled a remuneration report pursuant to § 162 AktG for the 2023/24 financial year. This report on the one hand presents the remuneration granted and owed to each individual current and former member of the Supervisory Board of HORNBACH Holding AG & Co. KGaA. On the other hand, it voluntarily presents the remuneration granted and owed to each current and former member of the Board of Management and Supervisory Board of HORNBACH Management AG. Moreover, the report explains the principles underlying the remuneration systems for members of the Board of Management and the Supervisory Boards of HORNBACH Holding AG & Co. KGaA and HORNBACH Management AG.

A. Remuneration of members of Board of Management of HORNBACH Management AG

I. Overview of remuneration system for Board of Management of HORNBACH Management AG

The remuneration of the Board of Management for the 2023/24 financial year is based on the remuneration system adopted by the Supervisory Board of HORNBACH Management AG on December 18, 2019, which took effect as of March 1, 2020. This was amended by a resolution adopted on February 24, 2023, which took effect as of March 1, 2023 (the “**remuneration system of HORNBACH Management AG**”). An overview of this system is presented below.

The remuneration of members of the Board of Management comprises fixed and variable components. Fixed remuneration components for the members of the Board of Management are the fixed annual salary, ancillary benefits, and the company pension scheme. The variable components are one-year variable remuneration (“**OVR**”) and multiyear variable remuneration (“**MVR**”). Furthermore, the remuneration system lays down share ownership guidelines (“**SOG**”) for members of the Board of Management.

The MVR presented in this remuneration report as granted long-term variable remuneration, which was allocated as of March 1, 2020, is based on the remuneration system originally adopted on December 18, 2019. The performance criteria for this MVR are additionally presented extensively and transparently in Section 2.2.1 b).

When contractually determining remuneration, the Supervisory Board also accounts for a market comparison. Upon the most recent revision to remuneration in 2020, the market comparison was based on remuneration paid at SDAX companies (except HORNBACH Holding AG & Co. KGaA). The derivation of the amounts of remuneration was based on the criteria of sales, number of employees, and market capitalization. No amendments have since been made to the target amounts of remuneration.

Remuneration component	Assessment basis / parameter												
Fixed remuneration components													
Fixed annual salary	in 12 equal monthly instalments at the end of each calendar month												
Ancillary benefits	<ul style="list-style-type: none"> - Private use of a company car - Accident insurance - Employer grants to health and nursing care insurance - Grant to voluntary pension insurance or, alternatively, to contributions to a life insurance policy amounting to 50% of the respectively valid pension insurance rate up to the amount of the assessment ceiling - D&O insurance at the expense of HORNBAACH Holding AG & Co. KGaA <p>Divergent rules apply in some cases for members of the Board of Management who are simultaneously members of the Board of Management of HORNBAACH Baumarkt AG and already entitled to the respective ancillary benefit due to their employment relationship at that company.</p>												
Company pension scheme	<p>Plan type: Defined contribution commitment</p> <p>Contribution: Half-yearly pension contribution amounting to 12.5% of fixed gross annual salary</p>												
Variable remuneration components													
One-year variable remuneration (OVR)	<table border="0"> <tr> <td style="vertical-align: top;">Plan type:</td> <td>Target bonus</td> </tr> <tr> <td style="vertical-align: top;">Target amount:</td> <td> <ul style="list-style-type: none"> - Chief Executive Officer: € 265,000 - Members of Board of Management: € 60.000 </td> </tr> <tr> <td style="vertical-align: top;">Cap:</td> <td>200% of target amount</td> </tr> <tr> <td style="vertical-align: top;">Performance criteria:</td> <td> <ul style="list-style-type: none"> - Sales (40%), free cash flow (30%) and EBT (30%) of HORNBAACH Holding AG & Co. KGaA (figures taken from consolidated financial statements) - Modifier (0.8-1.2) </td> </tr> <tr> <td style="vertical-align: top;">Assessment period:</td> <td>One year (prospective)</td> </tr> <tr> <td style="vertical-align: top;">Payment date:</td> <td>Month in which consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for respective financial year are approved, at latest month thereafter.</td> </tr> </table> <p>Objective: To provide an incentive for the Board of Management to focus its activities on the growth strategy pursued by the company and to incentivize the ongoing increase in the company's earnings strength and internal financing potential.</p>	Plan type:	Target bonus	Target amount:	<ul style="list-style-type: none"> - Chief Executive Officer: € 265,000 - Members of Board of Management: € 60.000 	Cap:	200% of target amount	Performance criteria:	<ul style="list-style-type: none"> - Sales (40%), free cash flow (30%) and EBT (30%) of HORNBAACH Holding AG & Co. KGaA (figures taken from consolidated financial statements) - Modifier (0.8-1.2) 	Assessment period:	One year (prospective)	Payment date:	Month in which consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for respective financial year are approved, at latest month thereafter.
Plan type:	Target bonus												
Target amount:	<ul style="list-style-type: none"> - Chief Executive Officer: € 265,000 - Members of Board of Management: € 60.000 												
Cap:	200% of target amount												
Performance criteria:	<ul style="list-style-type: none"> - Sales (40%), free cash flow (30%) and EBT (30%) of HORNBAACH Holding AG & Co. KGaA (figures taken from consolidated financial statements) - Modifier (0.8-1.2) 												
Assessment period:	One year (prospective)												
Payment date:	Month in which consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for respective financial year are approved, at latest month thereafter.												
Multiyear variable remuneration (MVR)	<table border="0"> <tr> <td style="vertical-align: top;">Plan type:</td> <td>Performance cash plan</td> </tr> <tr> <td style="vertical-align: top;">Target amount:</td> <td> <ul style="list-style-type: none"> - Chief Executive Officer: € 425,000 - Members of Board of Management: € 100,000 <p>The target amount of the MVR tranche exceeds the OVR target amount</p> </td> </tr> <tr> <td style="vertical-align: top;">Cap:</td> <td>200% of target amount</td> </tr> <tr> <td style="vertical-align: top;">Performance criteria:</td> <td> <ul style="list-style-type: none"> - Relative TSR (25%) of HORNBAACH Holding AG & Co. KGaA - ROCE premium over WACC (50%) of HORNBAACH Holding AG & Co. KGaA and - ESG criteria (25%) - Modifier (0.8-1.2) </td> </tr> <tr> <td style="vertical-align: top;">Performance period:</td> <td>Four years (prospective)</td> </tr> <tr> <td style="vertical-align: top;">Payment date:</td> <td>Month in which consolidated financial statements for final financial year in four-year performance period are approved, at latest month thereafter.</td> </tr> </table> <p>Objective: To create long-term incentives to generate an adequate return for shareholders, also by comparison with the market, and to present and promote in the remuneration system for the Board of Management all aspects of sustainably profitable value creation resulting from entrepreneurial actions.</p>	Plan type:	Performance cash plan	Target amount:	<ul style="list-style-type: none"> - Chief Executive Officer: € 425,000 - Members of Board of Management: € 100,000 <p>The target amount of the MVR tranche exceeds the OVR target amount</p>	Cap:	200% of target amount	Performance criteria:	<ul style="list-style-type: none"> - Relative TSR (25%) of HORNBAACH Holding AG & Co. KGaA - ROCE premium over WACC (50%) of HORNBAACH Holding AG & Co. KGaA and - ESG criteria (25%) - Modifier (0.8-1.2) 	Performance period:	Four years (prospective)	Payment date:	Month in which consolidated financial statements for final financial year in four-year performance period are approved, at latest month thereafter.
Plan type:	Performance cash plan												
Target amount:	<ul style="list-style-type: none"> - Chief Executive Officer: € 425,000 - Members of Board of Management: € 100,000 <p>The target amount of the MVR tranche exceeds the OVR target amount</p>												
Cap:	200% of target amount												
Performance criteria:	<ul style="list-style-type: none"> - Relative TSR (25%) of HORNBAACH Holding AG & Co. KGaA - ROCE premium over WACC (50%) of HORNBAACH Holding AG & Co. KGaA and - ESG criteria (25%) - Modifier (0.8-1.2) 												
Performance period:	Four years (prospective)												
Payment date:	Month in which consolidated financial statements for final financial year in four-year performance period are approved, at latest month thereafter.												

Remuneration component	Assessment basis / parameter
Other provisions	
SOG	<ul style="list-style-type: none"> - Obligation to use 50% of MVR payment amount to acquire shares in HORNBAACH Holding AG & Co. KGaA. - SOG target: 150% of one fixed gross annual salary for Chief Executive Officer; 100% of one fixed gross annual salary for regular member of Board of Management. - Shares to be held for duration of activity on Board of Management. <p>The share ownership guideline (SOG) is intended in particular to align the remuneration structure to the company's permanent business success. The obligation to acquire and hold shares links the remuneration of the Board of Management to the share price performance of HORNBAACH Holding AG & Co. KGaA, which in turn reflects the company's inherent earnings strength.</p>
Maximum remuneration	<ul style="list-style-type: none"> - Cap on total remuneration payable by HORNBAACH Management AG for a financial year (total of fixed annual salary, variable remuneration components, company pension scheme, and ancillary benefits), irrespective of payment date. - Chief Executive Officer: € 2,040,000; regular members of Board of Management: € 520,000 each - If remuneration exceeds the maximum amount, the MVR payment amount is reduced for the respective grant year.
Malus and clawback regulations	<ul style="list-style-type: none"> - The Supervisory Board may reduce the OVR and/or MVR payment amounts by up to 100% in the event of improper conduct on the part of a member of the Board of Management during the assessment period ("Malus"). - Claim to repayment of OVR and/or MVR in the event of objectively erroneous consolidated financial statements ("clawback").

By resolution dated February 24, 2023, the Supervisory Board amended the remuneration system at HORNBAACH Management AG with effect as of March 1, 2023 and included ESG criteria as new non-financial performance criteria in the MVR. MVR was allocated for the first time on the basis of the amended remuneration system in the 2023/24 financial year. Detailed report on this MVR will be provided in the remuneration report for the 2026/27 financial year. The ESG criteria are weighted at 25% alongside the existing financial performance criteria of ROCE premium over WACC (new weighting of 50% from the 2023/24 financial year, replacing previous weighting of 75%) and total shareholder return (weighting unchanged at 25%) (for further details, please see 2.2.1 b) ff) (1)).

Outlook for the 2024/25 financial year

By resolution dated February 22, 2024, the Supervisory Board adopted minor amendments to the ESG criteria agreed in the MVR. These take effect as of March 1, 2024 (please see Section 2.2.1 b) ff) (2)).

II. Remuneration of incumbent members of Board of Management of HORNBACH Management AG in 2023/24 financial year

1. Members of Board of Management of HORNBACH Management AG in 2023/24 financial year

The following individuals were members of the Board of Management of HORNBACH Management AG in the 2023/24 financial year:

- Albrecht Hornbach, member of Board of Management and Chief Executive Officer since October 9, 2015
- Karin Dohm, member of Board of Management since January 1, 2021
- Herr Erich Harsch, member of Board of Management since June 1, 2023

In principle, the remuneration paid to members of the Board of Management of HORNBACH Management AG is also deemed as settlement for activities at subsidiaries and shareholdings.

Albrecht Hornbach is Chair of the Supervisory Boards of HORNBACH Baumarkt AG and HORNBACH Immobilien AG. He receives additional remuneration for his activity as Chair of the Supervisory Board of HORNBACH Baumarkt AG.

Karin Dohm has been a member of the Board of Management of HORNBACH Baumarkt AG since January 1, 2021. In addition to her remuneration as a member of the Board of Management of HORNBACH Management AG, in the 2023/24 financial year Karin Dohm also received remuneration as a member of the Board of Management of HORNBACH Baumarkt AG.

Alongside his function as a member of the Board of Management and Chief Executive Officer of HORNBACH Baumarkt AG, since June 1, 2023 Erich Harsch has also been a member of the Board of Management of HORNBACH Management AG. In addition to his remuneration as a member of the Board of Management of HORNBACH Management AG, in the 2023/24 financial year Erich Harsch also received remuneration as a member of the Board of Management of HORNBACH Baumarkt AG.

The remuneration system applicable at HORNBACH Baumarkt AG in the 2023/24 financial year is based on the same principles as the remuneration system at HORNBACH Management AG (see Section I above). It comprises the same remuneration components and refers to the same performance criteria with the same weightings – merely based in this case on corresponding references to HORNBACH Baumarkt AG. The remuneration system of HORNBACH Baumarkt AG was approved by the Annual General Meeting of HORNBACH Baumarkt AG on July 9, 2020. Upon application by HORNBACH Baumarkt AG, the Frankfurt Stock Exchange withdrew its approval for shares in HORNBACH Baumarkt AG to be traded on the Regulated Market of the Frankfurt Stock Exchange as of the conclusion of February 28, 2022, as a result of which the stock market listing of HORNBACH Baumarkt AG was discontinued pursuant to § 3 (2) AktG (“**delisting**”). By resolution adopted on February 17, 2022 the Supervisory Board therefore adapted the remuneration system for members of the Board of Management of HORNBACH Baumarkt AG such that, to the extent that their remuneration was previously based on the share price of HORNBACH Baumarkt AG, such remuneration would from March 1, 2022 refer to the value of the share of HORNBACH Holding AG & Co. KGaA. Furthermore, by analogy with the amendment made to the remuneration system at HORNBACH Management AG, on February 23, 2023 the Supervisory Board of HORNBACH Baumarkt AG adopted a resolution amending the remuneration system for members of the Board of Management of HORNBACH Baumarkt AG in order to integrate ESG targets as a new third performance criteria in MVR with effect as of March 1, 2023 (for information about the key ESG criteria also applicable to MVR at HORNBACH Baumarkt AG, please see a)I.1.1.b)ff)(2)). By resolution dated February 20, 2024, the Supervisory Board of HORNBACH Baumarkt AG amended the ESG criteria agreed in the MVR by analogy with the amendment at HORNBACH Management AG; this amendment takes effect as of March 1, 2024).

The disclosures provided on the remuneration granted and owed in the 2023/24 financial year include disclosures on the remuneration at HORNBACH Baumarkt AG.

2. Remuneration granted and owed in 2023/24 financial year

Pursuant to § 162 (1) Sentence 1 AktG, the remuneration report must report on the remuneration granted and owed to each individual member of the Board of Management in the past financial year. The terms used are based on the following understanding of the concepts:

- The term “granted” refers to “*the actual payment of the remuneration component*”

- The term “owed” refers to “all legally existent liabilities for remuneration components that are due for payment but which have not yet been settled”.

In this remuneration report, those variable remuneration components for which the assessment period expired in the year under report, meaning that the activity underlying the respective component of variable remuneration has been fully performed, are viewed as actually granted.

2.1. Tabular overview

The remuneration tables below present the remuneration for the assessment period ending on February 29, 2024 as being granted and owed. Accordingly, the following components are reported as remuneration granted in the 2023/24 financial year:

- The basic salary paid in the 2023/24 financial year
- The ancillary benefits granted in the 2023/24 financial year
- The OVR paid at the beginning of the 2024/25 financial year for the 2023/24 financial year
- The MVR paid at the beginning of the 2024/25 financial year for the performance period from March 1, 2020 to February 29, 2024.

As HORNBACH Management AG is not in arrears with the payment of remuneration components, none of the remuneration components presented in the tables are owed.

Albrecht Hornbach				
Chief Executive Officer				
	2023/24		2022/23	
	in €	in % ¹	in €	in %
Fixed remuneration components				
Basic salary	480,000	36	480,000	60
Ancillary benefits	33,669	3	33,061	4
Total in €	513,669		513,061	
Variable remuneration components				
One-year variable remuneration (OVR)	2,600	0	291,500	36
Multiyear variable remuneration (MVR)	820,000	61	-	-
Total – remuneration granted and owed in €	1,336,269		804,561	
Pension expenses ² in €	120,000		120,000	
Total remuneration including pension expenses in €	1.456.269		924.561	
Maximum remuneration at HORNBACH Management AG in €	2,040,000		2,040,000	
Clawback pursuant to § 162 (1) Sentence 2 No. 4 AktG	-		-	

¹ The percentages stated in this and subsequent tables on remuneration for the Board of Management denote the respective share of total remuneration granted and owed in the respective financial year.

² The pension expenses stated in this and subsequent tables on remuneration for the Board of Management are disclosed as service cost pursuant to IAS 19. Service cost pursuant to IAS 19 does not constitute “granted or owed” remuneration as defined in § 162 (1) Sentence 1 AktG, as it was not actually received by the member of the Board of Management in the year under report.

Karin Dohm				
CFO				
	2023/24		2022/23	
	in €	in %	in €	in %
Fixed remuneration components				
Basic salary at HORNBACH Management AG	112,000	16	112,000	12
Basic salary at HORNBACH Baumarkt AG	450,000	63	450,000	49
Ancillary benefits at HORNBACH Baumarkt AG	19,618	3	19,198	2
Total in €	581,618		581,198	
Variable remuneration components				
One-year variable remuneration (OVR) at HORNBACH Management AG	600	0	66,000	7
One-year variable remuneration (OVR) at HORNBACH Baumarkt AG	0	0	275,000	30
Multiyear variable remuneration (MVR) at HORNBACH Management AG	31,000 ³	4	-	-
Multiyear variable remuneration (MVR) at HORNBACH Baumarkt AG	101,000 ⁴	14	-	-
Total – remuneration granted and owed in €	714,218		922,198	
Pension expenses at HORNBACH Management AG in €	28,000		28,000	
Pension expenses at HORNBACH Baumarkt AG in €	112,500		112,500	
Total remuneration including pension expenses in €	854,718		1,062,698	
Maximum remuneration at HORNBACH Management AG in €	520,000		520,000	
Maximum remuneration at HORNBACH Baumarkt AG in €	1,822,500		1,822,500	
Clawback pursuant to § 162 (1) Sentence 2 No. 4 AktG	-		-	

³ As Karin Dohm has been a member of the Board of Management of HORNBACH Management AG since January 1, 2021, the multiyear variable remuneration (MVR) in the 20/21 tranche has been calculated on a time-apportioned basis for 59 days.

⁴ As Karin Dohm has been a member of the Board of Management of HORNBACH Baumarkt AG since January 1, 2021, the multiyear variable remuneration (MVR) in the 20/21 tranche has been calculated on a time-apportioned basis for 59 days.

Erich Harsch				
	2023/24		2022/23	
	in €	in %	in €	in %
Fixed remuneration components				
Basic salary at HORNBACH Management AG	84,000	5	-	-
Basic salary at HORNBACH Baumarkt AG	506,250 ⁵	33	-	-
Ancillary benefits at HORNBACH Baumarkt AG	30,584 ⁶	2	-	-
Total in €	620,834		-	
Variable remuneration components				
One-year variable remuneration (OVR) at HORNBACH Management AG ⁷	400	0	-	-
One-year variable remuneration (OVR) at HORNBACH Baumarkt AG	0	0	-	-
Multiyear variable remuneration (MVR) at HORNBACH Management AG	0	0	-	-
Multiyear variable remuneration (MVR) at HORNBACH Baumarkt AG	935,000 ⁸	60	-	-
Total – remuneration granted and owed in €	1,556,234		-	
Pension expenses at HORNBACH Management AG in €	21,000		-	
Pension expenses at HORNBACH Baumarkt AG in €	126,563 ⁹		-	
Total remuneration including pension expenses in €	1,703,797		-	
Maximum remuneration at HORNBACH Management AG in €	520,000		-	
Maximum remuneration at HORNBACH Baumarkt AG in €	2,703,750		-	
Clawback pursuant to § 162 (1) Sentence 2 No. 4 AktG	-		-	

⁵ Erich Harsch has been a member of the Board of Management of HORNBACH Management AG since June 1, 2023. As a result, the basic salary, ancillary benefits, pension expenses, and one-year variable remuneration (OVR) at HORNBACH Baumarkt AG in the 2023/24 financial year have been stated on a time-apportioned basis for 9 months.

⁶ See Footnote 5

⁷ See Footnote 5

⁸ The payment amount from the multi-year variable remuneration (MVR) at HORNBACH Baumarkt AG for the performance period from 2020/21 to 2023/24 is reported in its full amount as remuneration granted for the 2023/24 financial year, as Erich Harsch was a member of the Board of Management of HORNBACH Baumarkt AG for the whole 2020/21 financial year.

⁹ See Footnote 5

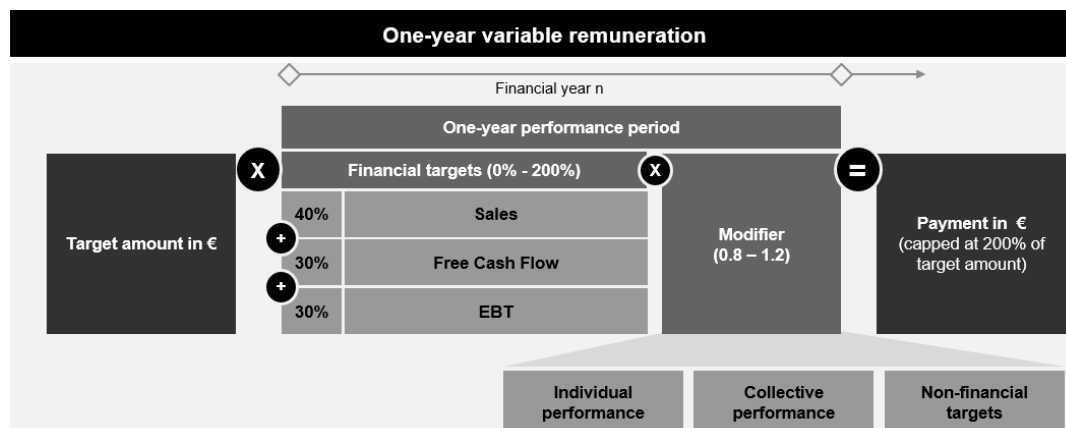
2.2. Explanatory notes

2.2.1. Performance criteria for variable remuneration

a) Performance criteria for one-year variable remuneration (OVR)

aa) Overview of OVR

OVR is a performance-related bonus with a one-year assessment period. In the first step, OVR is dependent on key financial performance criteria at HORNBAACH Holding AG & Co. KGaA. In the second step, the Supervisory Board may apply a modifier to account for the performance of the individual member of the Board of Management, the collective performance of the overall Board of Management, and the achievement of relevant non-financial targets.



The target amount for OVR amounts to € 265,000 per financial year for the CEO and to € 60,000 per financial year for regular members of the Board of Management. The payment amount for the OVR may range between € 0 (minimum amount) and € 530,000 (CEO) and € 120,000 (regular members of Board of Management).

bb) Financial performance criteria

The three financial performance criteria used to calculate the amount of OVR remuneration paid are: sales, which are weighted at 40%, and free cash flow and earnings before taxes ("EBT"), both of which are weighted at 30%. This on the one hand provides an incentive for the Board of Management to focus its activities on the growth strategy pursued by the company. On the other hand, it provides an incentive for continually increasing the company's earnings strength and internal financing potential. The figures are based on those reported in the approved and audited consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for the respective financial year.

The Supervisory Board of HORNBAACH Management AG sets targets for the individual financial performance criteria before the beginning of the respective financial year. Upon the conclusion of the financial year, total target achievement is calculated on the basis of target achievement in the individual financial performance criteria. To determine target achievement for the three financial performance criteria, for each criterion the Supervisory Board of HORNBAACH Management AG compares the actual value upon expiry of the financial year with the actual value for the previous year (strategic growth rate). For the 2023/24 financial year, the Supervisory Board stipulated the following targets and determined the following levels of target achievement:

Sub-target	Weighting	Threshold (0%)	Target value (100%)	Maximum value (200%)	Actual value (2023/24)	Target achievement
Sales	40%	€ 6.2 billion	€ 6.5 billion	€ 6.8 billion	€ 6.16 billion	0%
Free cash flow	30%	€ 230 million	€ 290 million	€ 350 million	€ 232 million	3.22 %
EBT	30%	€ 230 million	€ 260 million	€ 290 million	€ 179 million	0%

cc) Modifier

To supplement the financial performance criteria, the Supervisory Board of HORNBAACH Management AG stipulates criteria for the modifier, generally before the beginning of the respective financial year. By way of the modifier, the Supervisory Board can assess the performance of the individual member of the Board of Management, the performance of the overall Board of Management, and the achievement of non-financial targets, such as stakeholder and ESG (Environment, Social, Governance) targets, in each case referring to HORNBAACH Management AG and HORNBAACH Holding AG & Co. KGaA. Before the beginning of the financial year, the Supervisory Board defined the following criteria for the modifier for the 2023/24 financial year:

The collective performance of the Board of Management, specifically:

- Sharpening the instruments needed to better understand customers' needs and corresponding further development of service portfolio in interconnected retail ("ICR")
- Development in market share
- Change management in the context of migration to a new enterprise resource planning ("ERP") system
- Measures to analyze potential for reductions in Scopes 1 and 2; and

the non-financial target

- Further development in sustainability concepts and targets (non-tradable goods, Scope 3, corporate volunteering).

The individual modifier is determined by the Supervisory Board of HORNBAACH Management AG at its due discretion. The modifier generally amounts to 1.0 and may be adjusted to a value between 0.8 and 1.2 if the financial performance criteria alone do not adequately reflect the performance of the member of the Board of Management. For the 2023/24 financial year, the Supervisory Board set the modifier at 1.0.

dd) Calculation of OVR payment amount

The target amount of OVR is paid if target achievement amounts to 100%.

If the employment relationship of the member of the Board of Management begins or ends in the current financial year, the target amount is proportionately reduced on a pro rata temporis basis as of the beginning or end of the employment relationship. The same applies by analogy to periods in which the member of the Board of Management, while still employed, has no claim to remuneration. If the employment relationship ends, the OVR is calculated for the current financial year in accordance with general provisions governing the OVR and paid at the regular date. All claims to OVR relating to a current assessment period, i.e. a current financial year, lapse without replacement or compensation in the following "bad leaver" cases: The employment contract with the member of the Board of Management ends prior to expiry of the assessment period due to extraordinary termination by HORNBAACH Management AG for a compelling reason pursuant to § 626 of the German Civil Code (*Bürgerliches Gesetzbuch* – "BGB") for which the member of the Board of Management is responsible; the appointment of the member of the Board of Management ends before expiry of the assessment period due to the appointment as a member of the Board of Management being revoked as a result of a gross breach of duty, or the appointment of the member of the Board of Management ends before expiry of the assessment period due to his or her resigning, without such resignation being caused by a breach of duty on the part of HORNBAACH Management AG or by ill health on the part of the member of the Board of Management or of a close family member.

Based on the target achievements, the (rounded) payment amount for the OVR is calculated as follows:

OVR payment amount for CEO: € 265,000 (target amount) x [target achievement for sales of 0% x 40% + target achievement for free cash flow of 3.22% x 30% + target achievement for EBT of 0% x 30%] x modifier of 1.0 = € 2,600

OVR payment amount for regular members of Board of Management: € 60,000 (target amount) x [target achievement for sales of 0% x 40% + target achievement for free cash flow of 3.22% x 30% + target achievement for EBT of 0% x 30%] x modifier of 1.0 = € 600

ee) OVR payment and cap

The annual OVR payment amount is capped at a maximum of 200% of the target amount. The payment amount is due for payment at the latest in the month following approval of the consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for the financial year to which the OVR refers.

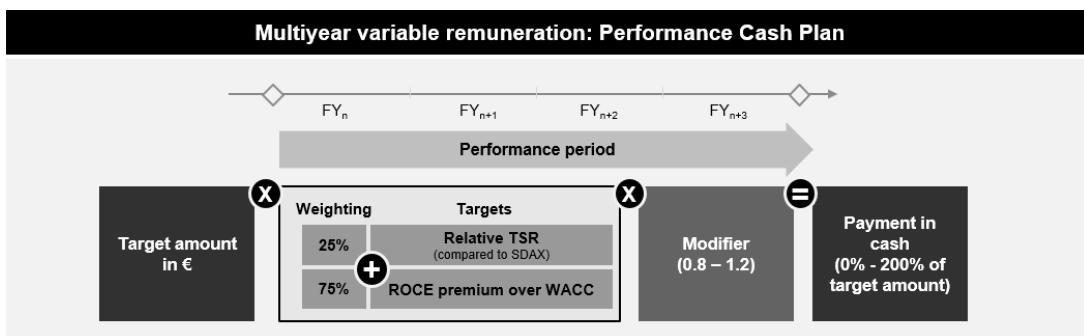
b) Performance criteria for multiyear variable remuneration (MVR)

The first tranche of MVR was allocated as of March 1, 2020 (2020/21 financial year). Its four-year performance period ended upon the conclusion of February 29, 2024. It will be paid at the beginning of the 2024/25 financial year. Accordingly, in this remuneration report MVR is presented for the first time as granted remuneration. Further tranches of MVR were allocated as of March 1 in each case for the 2021/22, 2022/23, and 2023/24 financial years. Their respective four-year performance periods will end upon the conclusion of February 28/29 in each case in the financial years from 2025/26 to 2027/28. The performance criteria for the MVR allocated as of March 1, 2020 are reported below.

aa) Overview of MVR 2020/21

MVR is structured as a performance cash plan that is granted annually in rolling tranches. Each tranche of the performance cash plan has a four-year term (“**performance period**”). Each performance period begins on March 1 of the first financial year in the performance period (“**grant year**”) and ends on February 28/29 of the third year following the grant year. The target amount for the MVR tranche exceeds the targeted amount for OVR in the respective grant year.

In the first step, MVR is dependent on key financial performance criteria at HORNBAACH Holding AG & Co. KGaA. In the second step, the Supervisory Board may apply a modifier to account for the performance of the individual member of the Board of Management, the collective performance of the overall Board of Management, and achievement of relevant non-financial targets, such as stakeholder and ESG (Environment, Social, Governance) targets, in each case referring to HORNBAACH Management AG and to HORNBAACH Holding AG & Co. KGaA. Following expiry of the performance period, the target achievement for MVR is calculated over the four-year performance period and the payment amount for each member of the Board of Management is determined in line with the level of target achievement.



The target amount for MVR amounts to € 425,000 per financial year for the CEO and to € 100,000 per financial year for regular members of the Board of Management. The payment amount for the MVR may range between € 0 (minimum amount) and € 850,000 (CEO) and € 200,000 (regular members of Board of Management). It is thus ensured that MVR outweighs OVR in the event of 100% target achievement.

bb) Financial performance criteria for MVR 2020/21

The key financial performance criteria for MVR are the relative total shareholder return (“TSR”) of HORNBAACH Holding AG & Co. KGaA compared with the TSRs of companies listed in the SDAX throughout the entire performance period (except HORNBAACH Holding AG & Co. KGaA with ISIN DE0006083405), which is weighted

at 25%, and the return premium (expressed by the return on capital employed, “ROCE”) less the weighted average cost of capital (“WACC”) (“ROCE premium over WACC”) of the HORNBAACH Holding AG & Co. KGaA Group during the four-year performance period, which is weighted at 75%. This on the hand creates long-term incentives to generate an adequate return for shareholders, also by comparison with the market. On the other hand, the remuneration system for members of the Board of Management presents and promotes all aspects of sustainably profitable value creation resulting from their entrepreneurial actions.

The Supervisory Board of HORNBAACH Management AG sets targets for the financial performance criteria before the beginning of the respective financial year. Upon the conclusion of the financial year, total target achievement is calculated on the basis of target achievement in the individual financial performance criteria. For the 2020/21 financial year, the Supervisory Board stipulated the following targets and determined the following levels of target achievement:

Sub-target	Weighting	Threshold (0%)	Target value (100%)	Maximum value (200%)	Actual value (2023/24)	Target achievement
TSR	25%	25%	50%	75%	79%	200%
ROCE-premium over WACC	75%	0.5%	1.0%	1.5%	1.45%	190.5%

cc) Modifier for MVR 2020/21

By analogy with OVR and the principles presented in 02.2.1 cc), the Supervisory Board may supplement the financial performance criteria with the modifier to account for the performance of the individual member of the Board of Management, the performance of the overall Board of Management, and the achievement of non-financial targets, such as stakeholder and ESG targets, referring in each case to HORNBAACH Management AG and HORNBAACH Holding AG & Co. KGaA, and, at its due discretion, set the modifier at between 0.8 and 1.2 for each member of the Board of Management. In accordance with the transitional requirements, for the OVR paid at the beginning of the 2024/25 financial year for the 2020/21 financial year with the performance period from March 1, 2020 to February 29, 2024, the Supervisory Board set the modifier at 1.0.

dd) Calculation of payment amount for MVR 2020/21

The MVR target amount is disbursed in the event of 100% target achievement.

If the employment relationship or MVR participation entitlement of the respective member of the Board of Management begins or ends during the grant year, the target amount is proportionately reduced on a pro rata temporis basis. This means that the target amount of MVR is reduced by 1/365 for each day in the grant year on which there was no employment relationship or no entitlement to participate. The same applies by analogy to periods in which the member of the Board of Management, while still employed, has no claim to remuneration. If the employment relationship ends, the MVR is calculated for the current performance periods in accordance with general provisions governing the MVR and paid at the regular date. All claims to MVR relating to a current assessment period, i.e. a current performance period, lapse without replacement or compensation in the “bad leaver” cases presented for OVR.

Based on the target achievements, the (rounded) payment amount for the MVR 2020/21 is calculated as follows:

MVR payment amount for CEO: € 425,000 (target amount) x [target achievement for TSR of 200% x 25% + target achievement for ROCE premium over WACC of 190.5% x 75%] x modifier of 1.0 = € 820,000

MVR payment amount for regular members of Board of Management: € 100,000 (target amount) x [target achievement for TSR of 200% x 25% + target achievement for ROCE premium over WACC of 190.5% x 75%] x modifier of 1.0 = € 193,000

ee) Payment of MVR 2020/21 and cap

The MVR payment amount is capped for each tranche at a maximum of 200% of the target amount. The cap was not reached for MVR 2020/21. The payment amount is due for payment at the latest in the month following approval of the consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for the final financial year in the four-year performance period.

ff) Outlook for MVR from the 2023/24 financial year

(1) Amendment to MVR from the 2023/24 financial year

Since March 1, 2023, MVR has also depended on the achievement of ESG criteria as a new third non-financial performance criterion. The ESG criteria are weighted at 25%, while the weighting of the ROCE premium over WACC financial performance criterion has been correspondingly reduced to 50%. Target achievement for the ESG targets performance criterion in the MVR tranche for the grant year 2023/24 will be assessed by reference to the weighted target achievement of the five following individual ESG targets, with each individual target accounting for 5%:

- Number of articles in the listed stock range that has been investigated at the end of the performance period to ascertain their sustainability benefits in terms of production, logistics and/or application compared with alternative products and, if applicable labeled with the label developed within the Group for this purpose, expressed as a percentage of the total product range ("**sustainability labeling**").
- Reduction in greenhouse gas emissions ("**CO_{2e}**") in the GHG categories Scope 1.01 (stationary combustion), 2.02 (electricity) and 2.03 (heat) per square meter of heated space in the final financial year in the performance period compared with the 2020/21 base year in which these figures were first measured ("**reduction in CO_{2e} emissions**"). The reduction in CO_{2e} emissions in kilograms is expressed as a percentage and calculated by comparing the quotient of total CO_{2e} emissions in kilograms in the final financial year of the performance period and the relevant heated space in square meters with the equivalent figure calculated using the same methodology for the 2020/21 financial year.
- Employee satisfaction by stating for each financial year in the performance period the number of terminations of permanent employment relationships, whether initiated by employees or employers, as a proportion of the average number of employees in the financial year as reported in the Non-Financial Group Report and subsequently stating the average figure for the individual financial years in the performance period ("**employee satisfaction**").
- Broadening diversity in the two management levels below the Board of Management ("**diversity**"). Diversity is measured by reporting the number of women managers compared with the total number of managers on the two management levels below the Board of Management as reported in the Corporate Governance Statement as a percentage and subsequently stating the average figure for the individual financial years in the performance periods.
- Global customer satisfaction as reported in the Kundenmonitor surveys for Germany, Austria, and Switzerland currently conducted by Service Barometer AG ("**customer satisfaction**"). Achievement is assessed by reference to the weighted average score which HORNBAACH receives for the individual years in the performance period and in terms of the threshold value also to the amount by which this score falls short (i.e. outperforms) the weighted sector average score during the last four calendar years before the end of the performance period.

(2) Further adjustment to MVR from the 2024/25 financial year:

The calculation bases used to measure the individual ESG targets of CO₂ emissions, employee satisfaction, and diversity have been updated for the 2024/25 financial year. The Supervisory Board has adjusted the terms of the MVR as appropriate. Accordingly, target achievement for the ESG targets performance criterion in the MVR tranche for the 2024/25 grant year is assessed by reference to weighted achievement of the five following individual ESG targets, with each individual target accounting

for 5%. These individual targets also apply for subsequent grant years unless the Supervisory stipulates otherwise:

- Number of articles in the listed stock range that has been investigated at the end of the performance period to ascertain their sustainability benefits in terms of production, logistics and/or application compared with alternative products and, if applicable labeled with the label developed within the Group for this purpose, expressed as a percentage of the total product range ("**sustainability labeling**").
- Reduction in emissions harmful to the climate (CO_{2e}) in the GHG categories Scope 1 and Scope 2 in absolute figures and in the unit of tonnes compared with the 2021/22 base year.
- Employee satisfaction by stating for each financial year in the performance period the number of terminations of permanent employment relationships of employees as a proportion of the average number of employees in the financial year and subsequently stating the average figure for the individual financial years in the performance period ("**employee satisfaction**").
- Broadening diversity in the two management levels below the Board of Management ("**diversity**"). Diversity is measured by reporting for each year in the performance period the number of women managers on the two management levels below the Board of Management in each case as a percentage of the total number of managers on the respective management level and subsequently stating the average figure for the respective management level for the individual financial years in the performance periods.

c) As the General Partner of HORNBAACH Holding AG & Co. KGA, the members of the Board of Management discharge their responsibilities for the business with particular diligence. Due account is therefore taken of this particular responsibility by including malus regulations in the employment contracts concluded with members of the Board of Management. The malus regulations are applied if, during the assessment period for the OVR and/or MVR, any breach of duty or improper conduct is determined or if the duties of care defined in § 93 AktG are materially breached. In these cases, the Supervisory Board may, at its own due discretion, reduce the OVR and/or MVR calculated for the respective assessment period by up to 100%. The Supervisory Board bases any decision as to whether and to what extent the malus regulations should be applied on the following particular considerations:

- the degree of culpability
- the significance of the duty breached
- the scope of the individual's own contribution to causing the breach of duty
- the level of any damages
- the existence of previous individual misconduct or organizational fault in the three financial years preceding the assessment period
- potential penalties imposed by the authorities.

Furthermore, a clawback regulation has been agreed with the members of the Board of Management in the event of erroneous consolidated financial statements.

d) The share ownership guideline ("SOG") forms a constituent component of the employment contracts concluded with members of the Board of Management; this stipulates a basic obligation on the part of members of the Board of Management to acquire shares and stipulates the respective amounts.

2.2.2. Conformity with remuneration system

The remuneration granted and owed to the members of the Board of Management in the 2023/24 financial year conforms to the provisions of the remuneration system at HORNBAACH Management AG. There were no deviations from the applicable remuneration system in the 2023/24 financial year. The OVR payment amount at HORNBAACH Management AG did not require reducing, as 200% of the OVR target amount was not achieved. The MVR payment amount at HORNBAACH Management AG also did not require reducing, as 200% of the MVR target amount was not achieved and the maximum remuneration for the 2020/21 financial year was also not exceeded by the MVR 2020/21. Furthermore, the total remuneration granted and owed to members of the Board of Management in the 2023/24 financial year also did not exceed the maximum remuneration stipulated in the remuneration system. In calculating the MVR payment amount for the 2023/24 financial year (upon the conclusion of the 2026/27 financial year), a calculation will be made to ascertain whether the maximum remuneration is exceeded due to the MVR payment amount; if necessary, the MVR payment amount will be correspondingly reduced.

2.2.3. No clawbacks in 2023/24 financial year

HORNBAACH Management AG did not claw back any variable remuneration components from individual members of the Board of Management in the 2023/24 financial year. No factual preconditions for any such clawback were met.

2.2.4. Payments and commitments in the event of termination of employment

- a) Payments and commitments to members of the Board of Management in the event of premature termination of activity on the Board of Management
 - aa) Should the activity of a member of the Board of Management be terminated prematurely, then any potential severance pay, including ancillary benefits, is capped at a maximum of two annual remuneration packages. If the remaining term of the employment contract amounts to fewer than two years, the severance pay may not exceed the contractual remuneration for the remaining term ("**severance pay cap**"). The calculation of the severance pay cap is generally based on total remuneration for the past financial year and, where appropriate, also on expected total remuneration for the current financial year. If a retrospective prohibition on competition is agreed, then any severance pay is imputed to the remuneration agreed as compensation for such prohibition. If the employment contract is terminated by the member of the Board of Management, or due to a compelling reason for which he or she is responsible, then severance pay is precluded.
 - bb) The members of the Board of Management receive a company pension from HORNBAACH Management AG in the form of a defined contribution commitment, also if their activity as a member of the Board of Management is terminated prematurely.
 - cc) Should the employment relationship be prematurely terminated before the end of the financial year or performance period, the OVR and MVR are not paid prematurely, but rather at the regular point in time.
- b) Pension commitments to members of the Board of Management upon the regular conclusion of their activity on the Board of Management

Should the employment relationship be regularly terminated before the end of the financial year or performance period, the OVR and MVR are also not paid prematurely, but rather at the regular point in time.

Upon the regular conclusion of their activity on the Board of Management, the members of the Board of Management receive a retirement pension. This is paid upon the respective member reaching the age of 65. Members of the Board of Management have received a defined contribution commitment covering retirement, invalidity, and surviving dependent pensions. A pension contribution amounting to 12.5% of the fixed gross annual salary is paid in for every half year of the respective appointment to the Board of Management.

The following overview presents these retirement pensions on an individualized basis for members of the Board of Management in the 2023/24 financial year. The figures are broken down into the present value and the amount expended by HORNBAACH Management AG for this during the past financial year.

	Present value	Amount expended in 2023/24 financial year
Albrecht Hornbach	2,814,766	120,000
Karin Dohm		
HORNBACH Management AG	99,143	28,000
HORNBACH Baumarkt AG	397,644	112,500
Erich Harsch		
HORNBACH Management AG	21,445	21,000
HORNBACH Baumarkt AG	754,972	126,563 ¹⁰

c) Payments and commitments to members of the Board of Management retiring in the 2023/24 financial year

No members retired from the Board of Management of HORNBACH Management AG in the 2023/24 financial year.

III. Remuneration of former members of the Board of Management

1. Remuneration granted and owed in 2023/24 financial year (individualized)

Pursuant to § 162 (1) Sentence 1 AktG, report must also be provided on the remuneration granted and owed to former members of the Board of Management. Roland Pelka retired from his positions as a member of the Board of Management of HORNBACH Management AG and HORNBACH Baumarkt AG upon the conclusion of March 31, 2021, with the corresponding employment contracts expiring as of October 31, 2021 and September 30, 2021 respectively. The remuneration granted and owed is presented in the table below.

Roland Pelka				
CFO				
until March 31, 2021				
	2023/24		2022/23	
	in €	in % ¹¹	in €	in %
Fixed remuneration components				
Basic salary at HORNBACH Management AG	0	0	0	0
Basic salary at HORNBACH Baumarkt AG	0	0	0	0
Ancillary benefits at HORNBACH Baumarkt AG	0	0	0	0
Total in €	0		0	
Variable remuneration components				
One-year variable remuneration (OVR) at HORNBACH Management AG	0	0	0	0
One-year variable remuneration (OVR) at HORNBACH Baumarkt AG	0	0	0	0
Multiyear variable remuneration (MVR) at HORNBACH Management AG	193,000	15	0	0
Multiyear variable remuneration (MVR) at HORNBACH Baumarkt AG	694,000	56	0	0

¹⁰ Erich Harsch has been a member of the Board of Management of HORNBACH Management AG since June 1, 2023. As a result, the pension expenses at HORNBACH Baumarkt AG in the 2023/24 financial year have been stated on a time-apportioned basis for 9 months.

¹¹ The percentages stated in this table denote the respective share of total remuneration granted and owed in the respective financial year.

Pension payments (from January 1, 2022)				
Pension at HORNBACH Management AG	60,000	5	60,000	17
Pension at HORNBACH Baumarkt AG	300,000	24	300,000	83
Total – remuneration granted and owed in €	1,247,000		360,000	
Pension expenses at HORNBACH Management AG	0		0	
Pension expenses at HORNBACH Baumarkt AG	0		0	
Total remuneration including pension expenses in €	1,247,000		360,000	

Pursuant to § 162 (5) Sentence 2 AktG, the obligation to report on remuneration granted and owed to former members of the Board of Management in the year under report on an individualized basis extends to include remuneration granted and owed up to the conclusion of ten years after the financial year in which the former member of the Board of Management stood down from the position most recently held on the Board of Management or Supervisory Board at HORNBACH Management AG. Accordingly, this includes members of the Board of Management who stood down from their most recent positions on the Board of Management or Supervisory Board of HORNBACH Management AG after the 2013/14 financial year.

In the 2023/24 financial year there was no other remuneration granted or owed which required report for former members of the Board of Management.

2. Total remuneration granted to former members of Board of Management who stood down prior to 2014

Pursuant to § 162 (5) Sentence 2 AktG, there is no obligation to provide individualized disclosures on remuneration granted and owed in the 2023/24 financial year to former members of the Board of Management who already stood down from their most recent positions on the Board of Management or Supervisory Board of HORNBACH Management AG prior to the beginning of the 2014/15 financial year and to which accordingly any remuneration granted and owed in the 2023/24 financial year would be thereby granted and owed more than ten years after their standing down from their positions at HORNBACH Management AG. In the 2023/24 financial year, there was no total remuneration granted and owed to former members of the Board of Management that would require report.

IV. Comparative presentation

The table below presents a comparison of the percentage change of the remuneration paid to members of the Board of Management with the earnings performance of HORNBACH Holding AG & Co. KGaA and with average remuneration paid to employees on a full-time equivalent basis compared with the previous year.

The earnings performance is presented by reference to the relative change in the key figures of the annual net surplus at HORNBACH Holding AG & Co. KGaA (annual financial statements) and the earnings before taxes (EBT) and sales of the HORNBACH Holding AG & Co. KGaA Group.

The comparison with the development in average remuneration paid to employees has been based on the employees at HORNBACH Holding AG & Co. KGaA, HORNBACH Baumarkt AG, and HORNBACH Baustoff Union GmbH on a full-time equivalent basis.

Annual change in %	2023/24 compared with 2022/23 ¹²	2022/23 compared with 2021/22	2021/22 compared with 2020/21
Board of Management remuneration¹³			
Albrecht Hornbach	66.1%	-22.9%	0.1%
Karin Dohm	-22.6%	-23.2%	600% ¹⁴
Roland Pelka	246.4%	-61.4% ¹⁵	-35.5% ¹⁶
Erich Harsch ¹⁷	100%	n/a	n/a
Earnings performance			
Annual net surplus at KGaA	32.1%	4.9%	4.3%
Earnings before taxes (EBT) ¹⁸ at Group	-17.9%	-30.5%	18.1%
Sales at Group	-1.6%	6.6%	7.7%
Remuneration of employees			
Employees of HORNBAACH Holding AG & Co. KGaA, HORNBAACH Baumarkt AG, and HORNBAACH Baustoff Union GmbH	3.0%	3.8%	1%

B. Remuneration of members of Supervisory Board of HORNBAACH Management AG

I. Overview of remuneration

The remuneration of the Supervisory Board is governed by § 4.7 of the Articles of Association of HORNBAACH Management AG in the version dated July 2023. The remuneration of Supervisory Board members comprises fixed annual basic remuneration. The fixed annual basic remuneration amounts to € 40,000.00 for each Supervisory Board member. The Chair receives twice this amount, namely € 80,000.00 and the Deputy Chair receives one-and-a-half times this amount, namely € 60,000.00. If a Supervisory Board member is simultaneously a member of the Supervisory Board of HORNBAACH Holding AG & Co. KGaA and receives remuneration for his or her activities there, the fixed annual basic remuneration is reduced by half. The same applies with regard to the additional portion of remuneration for the Chair and his or her Deputy to the extent that the respective Supervisory Board member is simultaneously Chair or Deputy of the Supervisory Board of HORNBAACH Holding AG & Co. KGaA. Furthermore, Supervisory Board members also sitting on a Supervisory Board committee receive fixed committee remuneration. Fixed committee remuneration amounts to € 36,000.00 for the Chair and € 18,000.00 for each other member in the Audit Committee, to € 24,000.00 for the Chair and € 12,000.00 for each other member in the Personnel Committee, and to € 16,000.00 for the Chair and € 8,000.00 for each other member in all other committees. The Supervisory Board of HORNBAACH Management AG has currently not formed any committees.

The fixed annual basic remuneration and fixed committee remuneration are granted for each financial year and are each due for payment after the Annual General Meeting to which the annual financial statements for the respective financial year are presented. Remuneration is proportionately reduced on a pro rata temporis basis if a member of the Supervisory Board or a committee is not a member of such for the full financial year or does not chair the respective body for the full financial year.

HORNBAACH Management AG reimburses any sales tax incurred on the fixed annual basic remuneration and the fixed committee remuneration to the extent that Supervisory Board members are entitled to charge the company separately for sales tax and exercise this right.

Given that its structure conforms to market norms, the Supervisory Board remuneration makes it possible to attract suitable candidates for the position of Supervisory Board member. The Supervisory Board remuneration therefore helps to ensure that the

¹² Pursuant to the transitional requirement of § 26j (2) Sentence 2 EGAktG, through to the conclusion of the 2025/26 financial year, the comparative analysis should only include average remuneration in the period since the 2020/21 financial year, rather than the average remuneration in the past five financial years.

¹³ "Granted and owed" remuneration as defined in § 162 (1) Sentence 1 AktG

¹⁴ Karin Dohm joined the company as of January 1, 2021 and was therefore a member of the Boards of Management of HORNBAACH Management AG and HORNBAACH Baumarkt AG for only two months in the comparative 2020/21 financial year.

¹⁵ Roland Pelka has received pension payments from HORNBAACH Management AG and HORNBAACH Baumarkt AG since January 1, 2022.

¹⁶ Due to his departure from the company, the employment contracts between Roland Pelka and HORNBAACH Management AG and HORNBAACH Baumarkt AG expired during the 2021/22 financial year (HORNBAACH Management AG: October 31, 2021; HORNBAACH Baumarkt AG: September 30, 2021).

¹⁷ Erich Harsch has been a member of the Board of Management of HORNBAACH Management AG since June 1, 2023.

¹⁸ Consolidated earnings before taxes on income

Supervisory Board as a whole is able to perform its duties of supervising and advising the General Partner in an appropriate and competent manner and thus promotes the business strategy and long-term development of HORNBACH Holding AG & Co. KGaA.

II. Remuneration of Supervisory Board members in 2023/24 financial year

1. Supervisory Board members in 2023/24 financial year

The following individuals were members of the Supervisory Board of HORNBACH Management AG in the 2023/24 financial year:

- Dr. John Feldmann (Chair)
- Melanie Thomann-Bopp (Deputy Chair)
- Albert Hornbach
- Arnulf Hornbach
- Johann Hornbach
- Simone Krah
- Maria Olivier
- Vanessa Stützle
- Dr. Susanne Wulfsberg

2. Remuneration granted and owed to Supervisory Board members active in 2023/24 financial year

The table below presents the remuneration granted and owed to individual Supervisory Board members in the 2023/24 financial year. The concept “granted and owed” remuneration is based on the same definition as outlined above in Section 2. The remuneration reported in the table therefore presents the amounts actually received in the 2023/24 financial year:

	Fixed remuneration				Total		Remuneration from other Group mandates ¹⁹	
	2023/24		2022/23		2023/24	2022/23	2023/24	2022/23
	in €	in %	in €	in %	in €	in €	in €	in €
Dr. John Feldmann	40,000	100	50,000	100	40,000	50,000	224,000	100,500
Melanie Thomann-Bopp	40,000	100	40,000	100	40,000	40,000	176,000	70,750
Albert Hornbach	40,000	100	20,000	100	40,000	20,000	0	0
Arnulf Hornbach	40,000	100	20,000	100	40,000	20,000	0	0
Johann Hornbach	40,000	100	20,000	100	40,000	20,000	0	0
Simone Krah	20,000	100	20,000	100	20,000	20,000	68,820	18.500
Maria Olivier	40,000	100	20,000	100	40,000	20,000	0	0
Vanessa Stützle (since July 8, 2022)	20,000	100	12,932	100	20,000	12,932	40,000	6,466
Dr. Susanne Wulfsberg	40,000	100	20,000	100	40,000	20,000	0	0

III. Comparative presentation

The table below presents a comparison of the percentage change of the remuneration paid to Supervisory Board members with the earnings performance of HORNBACH Holding AG & Co. KGaA and with average remuneration paid to employees on a full-time equivalent basis compared with the previous year.

The earnings performance is presented by reference to the relative change in the key figures of the annual net surplus at HORNBACH Holding AG & Co. KGaA (annual financial statements) and the earnings before taxes (EBT) and sales of the HORNBACH Holding AG & Co. KGaA Group.

The comparison with the development in average remuneration paid to employees has been based on the employees at HORNBACH Holding AG & Co. KGaA, HORNBACH Baumarkt AG, and HORNBACH Baustoff Union GmbH on a full-time equivalent basis.

¹⁹ The figure presented corresponds to the remuneration paid for mandates at Group companies of HORNBACH Management AG (§ 162 (1) Sentence 1 AktG in conjunction with § 290 HGB) for periods in which the respective Supervisory Board member was simultaneously a member of the Supervisory Board of HORNBACH Management AG.

Annual change in %	2023/2024 compared with 2022/23 ²⁰	2022/23 compared with 2021/22	2021/22 compared with 2020/21
Supervisory Board remuneration²¹			
Dr. John Feldmann	75%	2%	5%
Melanie Thomann-Bopp	95%	28%	n/a
Albert Hornbach	100%	0%	0%
Arnulf Hornbach	100%	55%	n/a
Johann Hornbach	100%	55%	n/a
Simone Krah	131%	55%	n/a
Maria Olivier	100%	519%	n/a
Vanessa Stütze (since July 8, 2022)	209%	n/a	n/a
Dr. Susanne Wulfsberg	100%	-30%	-5%
Earnings performance			
Annual net surplus at KGaA	32.1%	-4.9%	4.3%
Earnings before taxes (EBT) ²² at Group	-17.9%	-30.5%	18.1%
Sales at Group	-1.6%	6.6%	7.7%
Remuneration of employees			
Employees of HORNBAACH Holding AG & Co. KGaA, HORNBAACH Baumarkt AG, and HORNBAACH Baustoff Union GmbH	3.0%	3.8%	1.0%

C. Remuneration of members of Supervisory Board of HORNBAACH Holding AG & Co. KGaA

I. Overview of remuneration

The new version of § 113 (3) AktG resulting from ARUG II requires the annual general meeting of listed companies to adopt a resolution on the remuneration of supervisory board members at least once every four years. The Supervisory Board of HORNBAACH Holding AG & Co. KGaA and the General Partner of HORNBAACH Management AG last presented the remuneration of Supervisory Board members and at the same time the remuneration system for Supervisory Board members for approval by adoption of a resolution by the Annual General Meeting on July 7, 2023. The Annual General Meeting on July 7, 2023 confirmed the remuneration with 98.91% of the votes cast and adopted the remuneration system.

The remuneration of the Supervisory Board is governed by § 17 of the Articles of Association of HORNBAACH Holding AG & Co. KGaA in the version dated July 2023. The remuneration of Supervisory Board members comprises fixed annual basic remuneration. The fixed annual basic remuneration amounts to € 40,000.00 for each member of the Supervisory Board. The Chair receives twice this amount, namely € 80,000.00 and the Deputy Chair receives one-and-a-half times this amount, namely € 60,000.00. Furthermore, Supervisory Board members also sitting on a Supervisory Board committee receive fixed committee remuneration. Fixed committee remuneration amounts to € 36,000.00 for the Chair and € 18,000.00 for each other member in the Audit Committee. In all other committees, the fixed remuneration amounts to € 16,000.00 for the Chair and € 8,000.00 for each other member. The fixed annual basic remuneration and fixed committee remuneration are granted for each financial year and are each due for payment after the Annual General Meeting to which the annual financial statements for the respective financial year are presented. Remuneration is proportionately reduced on a pro rata temporis basis if a member of the Supervisory Board or a committee is not a member of such for the full financial year or does not chair the respective body for the full financial year.

HORNBAACH Holding AG & Co. KGaA reimburses any sales tax incurred on the fixed annual basic remuneration and the fixed committee remuneration to the extent that Supervisory Board members are entitled to charge the company separately for sales

²⁰ Pursuant to the transitional requirement in § 26j (2) Sentence 2 EGAktG, through to the conclusion of the 2025/26 financial year, the comparative analysis should only include average remuneration in the period since the 2020/21 financial year, rather than the average remuneration in the past five financial years.

²¹ "Granted and owed" remuneration as defined in § 162 (1) Sentence 1 AktG

²² Consolidated earnings before taxes on income

tax and exercise this right. Moreover, any employer contributions to social security required by foreign legislation for supervisory board activities are paid or reimbursed to the respective Supervisory Board member.

Furthermore, Supervisory Board members are included in a financial loss liability insurance policy maintained by HORNBAACH Holding AG & Co. KGaA at its own expense for its directors and officers.

Given that its structure conforms to market norms, the Supervisory Board remuneration makes it possible to attract suitable candidates for the position of Supervisory Board member. The Supervisory Board remuneration therefore helps to ensure that the Supervisory Board as a whole is able to perform its duties of supervising and advising the General Partner in an appropriate and competent manner and thus promotes the business strategy and long-term development of HORNBAACH Holding AG & Co. KGaA.

II. Remuneration of Supervisory Board members in 2023/24 financial year

1. Supervisory Board members in 2023/24 financial year

The following individuals were members of the Supervisory Board of HORNBAACH Holding AG & Co. KGaA in the 2023/24 financial year:

- Dr. John Feldmann (Chair)
- Martin Hornbach (Deputy Chair)
- Simone Krah
- Simona Scarpaleggia
- Vanessa Stützele
- Melanie Thomann-Bopp

2. Remuneration granted and owed to Supervisory Board members active in 2023/24 financial year

The table below presents the remuneration granted and owed to individual Supervisory Board members in the 2023/24 financial year. The concept “granted and owed” remuneration is based on the same definition as outlined above in Section 2. The remuneration reported in the table therefore presents the amounts actually received in the 2023/24 financial year.

	Fixed remuneration				Committee activity				Total		Remuneration from other Group mandates ²³	
	2023/24		2022/23		2023/24		2022/23		2023/24	2022/23	2023/24	2022/23
	in €	in %	in €	in %	in €	in %	in €	in %	in €	in €	in €	in €
Dr. John Feldmann	80,000	66	25,000	68	42,000	34	11,500	32	122,000	36,500	102,000	64,000
Martin Hornbach	60,000	72	40,000	82	23,202	28	9,000	18	83,202	49,000	62,197	35,000
Simone Krah	40,000	58	10,000	54	28,820	42	8,500	46	68,820	18,500	0	0
Simona Scarpaleggia	40,000	100	20,000	100	0	0	0	0	40,000	20,000	40,000	20,000
Melanie Thomann-Bopp	40,000	40	10,000	35	60,000	60	18,250	65	100,000	28,250	76,000	42,500
Vanessa Stützele (since July 8, 2022)	40,000	100	6,466	100	0	0	0	0	40,000	6,466	0	0

²³ The figure presented corresponds to the remuneration paid for mandates at Group companies of HORNBAACH Holding AG & Co. KGaA (§ 162 (1) Sentence 1 AktG in conjunction with § 290 HGB) for periods in which the respective Supervisory Board member was simultaneously a member of the Supervisory Board of HORNBAACH Holding AG & Co. KGaA. Pursuant to this definition, HORNBAACH Management AG is not a Group company of HORNBAACH Holding AG & Co. KGaA.

III. Comparative presentation

The table below presents a comparison of the percentage change of the remuneration paid to Supervisory Board members with the earnings performance of HORNBACH Holding AG & Co. KGaA and with average remuneration paid to employees on a full-time equivalent basis compared with the previous year.

The earnings performance is presented by reference to the relative change in the key figures of the annual net surplus at HORNBACH Holding AG & Co. KGaA (separate financial statements) and the earnings before taxes (EBT) and sales of the HORNBACH Holding AG & Co. KGaA Group.

The comparison with the development in average remuneration paid to employees has been based on the employees at HORNBACH Holding AG & Co. KGaA, HORNBACH Baumarkt AG, and HORNBACH Baustoff Union GmbH on a full-time equivalent basis.

Annual change in %	2023/24 compared with 2022/23 ²⁴	2022/23 compared with 2021/22	2021/22 compared with 2020/21
Supervisory Board remuneration²⁵			
Dr. John Feldmann	123%	0%	0%
Martin Hornbach	73%	0%	0%
Simone Krah	272%	-26%	-32%
Simona Scarpaleggia	100%	0%	3%
Vanessa Stütze (since July 8, 2022)	68%	n/a	n/a
Melanie Thomann-Bopp	149%	-11%	-15%
Earnings performance			
Annual net surplus at KGaA	32.1%	-4.9%	43%
Earnings before taxes (EBT) ²⁶ at Group	-17.9%	-30.5%	18.1%
Sales at Group	-1.6%	6.6%	7.7%
Remuneration of employees			
Employees of HORNBACH Holding AG & Co. KGaA, HORNBACH Baumarkt AG, and HORNBACH Baustoff Union GmbH	3.0%	3.8%	1.0%

Neustadt an der Weinstrasse, May 16, 2024

For the Supervisory Board:

For the General Partner:

Dr. John Feldmann
Supervisory Board Chair of
HORNBACH Holding AG & Co.
KGaA

Albrecht Hornbach
Chief Executive Officer of
HORNBACH Management AG

Karin Dohm
Board of Management of
HORNBACH Management AG

Erich Harsch
Board of Management of
HORNBACH Management AG

²⁴ Pursuant to the transitional requirement in § 26j (2) Sentence 2 EGAktG, through to the conclusion of the 2025/26 financial year, the comparative analysis should only include average remuneration in the period since the 2020/21 financial year, rather than the average remuneration in the past five financial years.

²⁵ "Granted and owed" remuneration as defined in § 162 (1) Sentence 1 AktG

²⁶ Consolidated earnings before taxes on income

REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE REMUNERATION REPORT IN ACCORDANCE WITH SECTION 162 (3) AKTG

To HORNBACH Holding AG & Co. KGaA, Neustadt an der Weinstraße/Germany

Audit Opinion

We conducted a formal audit of the remuneration report of Hornbach Holding AG & Co. KGaA, Neustadt an der Weinstraße/Germany, for the financial year from 1 March 2023 to 29 February 2024 to assess whether the disclosures required under Section 162 (1) and (2) German Stock Corporation Act (AktG) have been made in the remuneration report. In accordance with Section 162 (3) AktG, we did not audit the content of the remuneration report.

In our opinion, the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the accompanying remuneration report. Our audit opinion does not cover the content of the remuneration report.

Basis for the Audit Opinion

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG and in compliance with the IDW Auditing Standard: Audit of the Remuneration Report pursuant to Section 162 (3) AktG (IDW AuS 870 (09.2023)). Our responsibilities under those requirements and this standard are further described in the "Auditor's Responsibilities" section of our report. Our audit firm has applied the requirements of the IDW Quality Management Standards. We have fulfilled our professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Charter for German Public Auditors and German Sworn Auditors (BS WP/vBP) including the requirements on independence.

Responsibilities of the Executive Directors and of the Supervisory Board

The executive directors and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they have determined necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

Auditor's Responsibilities

Our objective is to obtain reasonable assurance about whether the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report, and to express an opinion on this in a report.

We planned and conducted our audit in such a way to be able to determine whether the remuneration report is formally complete by comparing the disclosures made in the remuneration report with the disclosures required under Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have neither audited the correctness of the content of the disclosures, nor the completeness of the content of the individual disclosures, nor the adequate presentation of the remuneration report.

Handling of Possible Misrepresentations

In connection with our audit, our responsibility is to read the remuneration report taking into account our knowledge obtained in the financial statement audit while remaining attentive to any signs of misrepresentations in the remuneration report regarding the correctness of the content of the disclosures, the completeness of the content of individual disclosures or the adequate presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is such a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Mannheim/Germany, 16 May 2024

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Steffen Schmidt	Patrick Wendlandt
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

2. Report of the General Partner in respect of Agenda Items 8 and 9: Authorization to acquire treasury stocks by deploying derivatives

In Agenda Item 8, the General Partner and Supervisory Board propose authorizing the General Partner to acquire treasury stocks for the company and either to sell the treasury stocks thereby acquired or to retire them without any further resolution being required by the Annual General Meeting. In addition, in Agenda Item 9 they propose an authorization enabling treasury stocks also to be acquired by deploying derivatives, specifically by deploying put options, call options, forward sales, or combinations of these instruments. Pursuant to § 71 (1) No. 8 Sentence 5 in conjunction with § 186 (4) Sentence 2 AktG, in the following section the General Partner provides report on the reasons for the exclusion, in specified cases, of any tender rights arising upon the acquisition of treasury stocks and, in specified cases, of shareholders' subscription rights upon the use of treasury stocks.

a) Acquisition of treasury stocks and exclusion of any tender rights

In Agenda Item 8, the General Partner and Supervisory Board propose authorizing the General Partner through to the expiry of July 4, 2026 to acquire treasury stocks in the company in a volume of up to a total of 10% current share capital or, if such amount is lower, of the share capital at the time at which this authorization is exercised for every purpose permitted by § 71 (1) No. 8 AktG in accordance with statutory limitations. Together with treasury stocks that are acquired for other reasons and that are in the possession of the company or attributable to it pursuant to § 71d and § 71e AktG, the shares acquired on the basis of this authorization may at no time exceed 10% of the company's share capital.

It is envisaged that this authorization may be exercised in whole or partial amounts, on one or several occasions, and for one or several purposes within the aforementioned restriction and that the authorization may be exercised by the company itself, or also by dependent Group companies pursuant to § 17 AktG or by third parties acting on its or their behalf.

Furthermore, it is envisaged that, at the discretion of the General Partner, the acquisition may be performed either via the stock market or outside the stock market by way of a public purchase offer addressed to all shareholders to submit sell offers. In these cases, due account must be taken of the principle of equality set out in § 53a AktG; in this respect, § 71 (1) No.8 Sentence 4 AktG stipulates that acquisition via the stock market always satisfies this requirement.

If the treasury stocks are acquired outside the stock market by way of a purchase offer addressed to all shareholders or by way of a public request addressed to all shareholders to submit sell offers, the proposed authorization permits the offer or acceptance volume to be limited and the acquisition to be based on the ratio of tendered/offered shares (tender quota) rather than the respective levels of shareholding if the volume tendered/offered at the specified price exceeds the number of shares in demand by the company. The acquisition can only be technically executed on reasonable economic terms if the acquisition is in principle based on tender quotas. Furthermore, it should be possible to envisage the preferential acceptance of low volumes of up to 100 tendered shares per shareholder. This possibility serves on the one hand to avoid small and generally uneconomical residual balances and any associated potential de-facto disadvantaging of small shareholders. On the other hand, it also serves to simplify the technical handling of the acquisition process. Finally, it should be possible to provide for the rounding up or down of numbers of shares in accordance with commercial principles in order to avoid arithmetic fractions of shares. Specifically, this enables the acquisition quota and/or number of shares to be acquired by the individual tendering shareholder to be commercially rounded up or down as required to facilitate the acquisition of whole shares in technical handling terms. In agreement with the Supervisory Board, the General Partner believes that the resultant exclusion of any more extensive tender rights on the part of shareholders is objectively justified and reasonable for shareholders.

In addition to acquisition via the stock market or by way of a public purchase offer addressed to all shareholders or by way of a public request addressed to all shareholders to submit sell offers, the authorization also provides for enabling the acquisition to be executed by way of tender rights made available by the company to shareholders ("created tender rights"). These created tender rights are structured in such a way that the company is only obliged to acquire whole shares. Should it then not be possible to exercise created tender rights, these will lapse unless the General Partner resolves that they are tradable. This process treats shareholders equally and serves to simplify the technical handling of the share buyback.

Moreover, the proposed authorization provides for the possibility that, in connection with a buyback, a bank, investment firm or any other company meeting the requirements of § 186 (5) Sentence 1 AktG (collectively: emitting companies) may also be

commissioned to purchase either a previously agreed number of shares or shares for a previously determined total purchase price either on a previously determined minimum number of trading days or through to the expiry of a previously agreed period and then to transfer these to the company. In purchasing the shares to be supplied on the stock market, the emitting company must in turn account for the principle of equality (§ 53a AktG) and purchase the shares at prices within the range defined in Agenda Item 8, Letter aa).

b) Use of acquired treasury stocks and exclusion of subscription rights

The General Partner is to be authorized to use the treasury stocks bought back for all purposes permitted by law and specifically to sell these either in whole or in part via the stock market or by offering them for purchase by shareholders by way of a public sale offer conducted in such a way as to safeguard shareholders' subscription rights. If the General Partner sells treasury stocks via the stock market, shareholders do not have any subscription rights. Pursuant to § 71 (1) No. 8 Sentence 4 AktG, however, just like purchases via the stock market the sale of treasury stocks via the stock market suffices to satisfy the principle of equality set out in § 53a AktG.

The General Partner should nevertheless also be authorized to retire the treasury stocks thereby acquired without any further resolution required by the Annual General Meeting. Such retirement generally results in a reduction in capital. However, the General Partner should also be authorized to execute the retirement without changing the share capital as provided for in § 237 (3) No. 3 AktG. In such case, the retirement increases the share of share capital attributable to the other shares pursuant to § 8 (3) AktG.

Furthermore, resolution on Agenda Item 8 proposed for adoption by the Annual General Meeting on July 5, 2024 also provides for excluding shareholders' subscription rights when the treasury stocks bought back are used as set out in the cases below:

aa) Sale in return for cash payment not materially lower than stock market price

The General Partner is to be authorized, subject to approval by the Supervisory Board, to sell acquired treasury stocks with a total share of up to 10% of the share capital at the time at which the Annual General Meeting adopts the respective resolution on July 5, 2024 or, if this amount is lower, 10% of the company's share capital at the time at which the shares are sold in ways other than via the stock market or by addressing a sale offer to all shareholders if the shares are sold in return for cash payment at a price that does not fall materially short of the price of company shares in the XETRA trading system of the Frankfurt Stock Exchange (or any functionally comparable successor system) at the time at which the sale price is definitively stipulated. Shareholders' subscription rights are to be excluded in this respect. The legal basis for this so-called simplified exclusion of subscription rights is provided by § 71 (1) No. 8 Sentence 5 in conjunction with § 186 (3) Sentence 4 AktG.

The possibility of excluding subscription rights provided for in § 186 (3) Sentence 4 AktG enables the company to draw swiftly, flexibly, and inexpensively on any opportunities arising on the stock market at any given time. The sale proceeds that can be generated by setting the price close to market generally lead to a significantly higher inflow of funds per share than in the case of a share placement with subscription rights, and in this respect to the greatest possible addition of capital resources. Furthermore, by waiving the time-consuming and cost-intensive handling of subscription rights the company can cover its equity requirements from market opportunities arising at short notice. It is true that § 186 (2) Sentence 2 AktG permits the subscription price to be published no later than three days before expiry of the subscription period. Given the volatility on stock markets, however, even then there would be a market risk lasting several days that may result in safety markdowns upon stipulation of the sale price and thus mean that the conditions are not close to market. If it were to grant subscription rights, moreover, the length of the subscription period would mean that the company would be unable to react to favorable market conditions at short notice. Authorized capital, such as that in place at HORNBAACH Holding AG & Co. KGaA, may also serve the aforementioned purpose. The company should nevertheless be provided with the possibility, following any buyback of treasury stocks, to pursue this objective without executing a capital increase which, given the requirement for registration in the Commercial Register, would require greater input.

In order to comply with limit placed by § 186 (3) Sentence 4 AktG on the volume of simplified subscription right exclusions, the authorization to submit acquired treasury stocks in accordance with the simplified subscription right exclusion is limited to shares with a prorated amount of 10% of the company's share capital. The calculation of the 10% limit is based on the amount of share capital at the time at which the resolution on this authorization is adopted by the Annual General Meeting on July 5, 2024 or, if lower, the amount of share capital at the time at which the authorization is exercised. The proposed resolution also provides for an imputation clause by which the authorization volume is reduced to the extent that, from the date of the Annual General Meeting onwards, other authorizations to use simplified subscription exclusion are drawn on. This is intended to ensure that, taking due account of all such authorizations with the possibility of excluding subscription rights, the volume limit provided for in § 186 (3) Sentence 4 AktG is adhered to with direct, corresponding, or analogous application of § 186 (3) Sentence 4 AktG.

For the reasons outlined, the proposed authorization for use of the treasury stocks and exclusion of subscription rights is in the interests of the company and its shareholders. As the sale price for any treasury stocks thereby granted has to be aligned to the stock market price and in view of the limited scope of the authorization, the interests of shareholders are appropriately safeguarded. Shareholders have the possibility of maintaining their relative level of shareholding by purchasing shares via the stock market.

bb) Sale as consideration, particularly in connection with combinations with other companies or acquisitions of companies or other assets

Furthermore, the General Partner is to be authorized, subject to approval by the Supervisory Board, to transfer acquired treasury stocks to third parties as consideration, particularly in the context of combinations with other companies or the acquisition of companies, parts of companies, or shareholdings in companies, or of other assets or rights to acquire assets, including receivables due from the company or its shareholdings. Here too, shareholders' subscription rights should be excluded.

HORNBACH Holding AG & Co. KGaA is in global competition. In the interests of its shareholders, it has to be in a position to act swiftly and flexibly in both national and international markets. This also involves the option of acquiring companies, parts of companies, or shareholdings in companies in order to improve its competitive position or of combining with other companies, or acquiring other assets. The optimal implementation of this option in the interests of shareholders and the company may, in specific cases, involve combining with another company or acquiring a company, a part of a company, or a shareholding in a company, or another asset by granting shares to the acquiring company.

Practice shows that the shareholders of attractive acquisition objects frequently request the provision of shares in the acquiring company as consideration for any sale. To be able to acquire these objects of acquisition as well, HORNBACH Holding AG & Co. KGaA must have the possibility to grant treasury stocks as consideration. Authorized capital, such as that in place at HORNBACH Holding AG & Co. KGaA, may also serve the aforementioned purpose. The company should nevertheless be provided with the possibility, following any buyback of treasury stocks, to pursue this objective in suitable cases without executing a capital increase which, given the requirement for registration in the Commercial Register, would require greater input.

If subscription rights were to be granted, the possibility of combining with other companies or acquiring companies, parts of companies, or shareholdings in companies, or other assets in return for acquired treasury stocks would be excluded and the associated benefits for the company and shareholders would not be attainable.

The company currently does not have any specific combination or acquisition plans for which this possibility would be drawn on. Should any such possibilities of combining with other companies or of acquiring companies, parts of companies, or shareholdings in companies, or other assets materialize, the General Partner will carefully review in each individual case whether it should draw on the authorization to grant treasury stocks. It will only do so if it is convinced that the combination or the acquisition of the respective company, part of a company, or shareholding, or acquisition of other assets in return for granting HORNBAACH shares is in the best interests of the company. The same applies by analogy to the Supervisory Board approval required in accordance with the proposed resolution. The General Partner will report on details as to how this authorization is drawn on to the Annual General Meeting following any such combination or acquisition executed in return for granting shares in HORNBAACH Holding AG & Co. KGaA.

cc) Authorization to exclude subscription rights for residual amounts

Finally, the General Partner is to be authorized, subject to approval by the Supervisory Board, to exclude shareholders' subscription rights for residual amounts arising in connection with any sale offer addressed to all shareholders in the company. The exclusion of subscription rights for residual amounts is necessary to achieve a technically executable subscription ratio. The treasury stocks excluded from shareholders' subscription rights as free residual amounts will be used in the best possible way for the company either by being sold on the stock market or otherwise. Due to the limitation to residual amounts, the potential dilutive effect is low.

dd) Concluding remark

The proposal submitted by the General Partner and Supervisory Board further provides for the authorization set out in Letters aa) to cc) of Agenda Item 8 to be exercised in whole or partial amounts, on one or several occasions, in pursuit of one or several objectives within the aforementioned limitation and, in the case of the authorizations in Letters aa) and bb) of Agenda Item 8, that these may be exercised by the company itself, but also by dependent Group companies pursuant to § 17 AktG or by third parties acting on its or their behalf. Shareholders' subscription rights to company treasury stocks are then excluded to the extent that these shares are used in accordance with the aforementioned authorizations.

Having considered all of the circumstances stated, in agreement with the Supervisory Board the General Partner deems the exclusion of subscription rights to be objectively justified and appropriate for shareholders, also with regard to potential dilutive effects, in the cases referred to and for the reasons outlined.

c) Authorization to deploy derivatives

In addition to the above proposal, in Agenda Item 9 the General Partner and Supervisory Board further propose an authorization also to acquire treasury stocks by deploying derivatives, and specifically by deploying put options, call options, forward purchases, or combinations of these instruments. This does not increase the total volume of treasury stocks that may be acquired. The additional authorization merely extends the company's possibilities of optimally structuring the acquisition of treasury stocks.

By granting a put option, the company provides the purchaser of the put option with the right to sell company shares to the company at a price stipulated in the put option (exercise price). The company is obliged to acquire the number of shares stipulated in the put option at the exercise price. In return, the company receives an option premium when the put option is granted. If the put option is exercised, the option premium paid by the purchaser of the put option reduces the total consideration paid by the company to acquire the share.

From the company's perspective, the possibility of buying back shares using put options offers the advantage that the exercise price is already determined on the day on which the option is concluded (trade date). By contrast, the liquidity outflow only occurs upon the exercise date. If the option is not exercised due to the share price on the exercise date exceeding the exercise price, the company cannot acquire any treasury stocks this way. It nevertheless retains the option premium collected on the trade date.

If it acquires a call option, in return for payment of an option premium the company obtains the right to purchase a previously determined number of shares at a previously determined price (exercise price) from the seller of the option, the writer. Exercising the call option makes economic sense for the company when the company's share price exceeds the exercise price, as it can then purchase the shares from the writer at the lower exercise price. By acquiring call options, the company can hedge against rising share prices and only has to acquire the number of shares that it actually requires at the later point in time. In addition, the company's liquidity is protected as the predetermined acquisition price for the shares only has to be paid when the call options are exercised.

The option premium payable by the company for call options and receivable from put options may not materially exceed or undercut the theoretical market value of the respective options calculated using recognized mathematical methods and taking due account, among other factors, of the agreed exercise price. The aforementioned process of determining the option premium and the permissible exercise price, which is more closely limited in the resolution, enables the company to acquire call and/or put options with longer terms even in volatile market environments; shareholders are thus not placed at any economic disadvantage when treasury stocks are acquired by deploying put and call options. As the company pays or receives a fair market price, the shareholders not participating in the option transactions do not suffer any material economic disadvantage in terms of the value of their shareholdings.

This corresponds to shareholders' position when shares are bought back via the stock market, a situation in which not all shareholders can actually sell shares to the company. In this respect, it is justified, also based on the legal concept underlying § 186 (3) Sentence 4 AktG, to conclude option transactions, for example with an independent banks, as such transactions also cannot be performed with all shareholders and given that shareholders' financial interests are protected by the stipulation of close-to-market prices.

In a forward purchase, the company acquires the shares following agreement with the forward seller at a specified future date and at the acquisition price stipulated upon agreement of the transaction. Concluding forward purchases is expedient for the company in cases in which it would like to secure a fixed need for treasury stocks at a given dated and at a specified price.

The derivative transactions must be concluded with an independent bank or investment firm or another company meeting the requirements of § 186 (5) Sentence 1 AktG, or with a consortium of such firms or companies. For all derivatives, the respective contractual partner may only supply shares that it previously acquired in accordance with the principle of equality. A corresponding obligation must form a component of any put option transaction or forward purchase contract agreed.

If a call option agreement is concluded, the company may only exercise the option if it is ensured that, when the option is exercised, the respective contractual partner only supplies shares previously acquired in accordance with the principle of equality. The fact that the respective contractual partner for the derivative transaction only supplies shares acquired in accordance with the aforementioned conditions means that the requirement to treat shareholders equally is satisfied. In this respect, it is legitimate, also based on the legal concept underlying § 186 (3) Sentence 4 AktG, that any claim on the part of shareholders to conclude derivative transactions with the company is excluded. This exclusion also enables the company to enter into derivative transactions at short notice; this would not be possible if an offer to conclude derivative transactions of this nature were to be addressed to all shareholders. This provides the company with the flexibility needed to react swiftly to specific market situations.

If treasury stocks are acquired by deploying derivatives, shareholders should only be entitled to tender their shares to the extent that the derivative transactions place an obligation on the company towards its shareholders to accept the shares. The deployment of derivatives in order to buy back treasury stocks would otherwise not be possible and the associated benefits for the company would be unattainable. Following careful consideration of the interests of shareholders and the company and given the advantages for the company resulting from the deployment of derivatives, the General Partner deems the decision not to grant and/or to limit tender rights justified.

The term of the derivatives may not exceed 18 months in each individual case and must be selected such that the acquisition of shares in order to exercise or settle the respective derivatives may not be executed after July 4, 2026. This way, it is ensured that the obligations resulting from individual derivative transactions are limited to an appropriate timeframe.

All acquisitions of shares involving the deployment of derivatives are limited to shares in a scope of a maximum of 5% of share capital at the time at which this authorization takes effect or, if the subsequent amount is lower, at the time at which this authorization is drawn on.

Reference is made to Letter b) in this report in respect of the potential exclusion of subscription rights upon the use of acquired treasury stocks.

III. Notes regarding the agenda items

The approved annual financial statements of HORNBAACH Holding AG & Co. KGaA for the 2023/24 financial year, the approved consolidated financial statements for the 2023/24 financial year, the combined management report for HORNBAACH Holding AG & Co. KGaA and the Group, and the explanatory report of the General Partner in respect of the disclosures made pursuant to § 289a and § 315a HGB, the report by the Supervisory Board on the 2023/24 financial year, and the proposal by the General Partner and the Supervisory Board on the utilization of unappropriated net profit, have been available pursuant to § 175 (2) Sentence 4 AktG and § 124a AktG in the Investor Relations section of the website of HORNBAACH Holding (www.hornbach-holding.de/en/investor-relations/annual-general-meeting) since the date on which the Annual General Meeting was convened and will also be available for inspection there during the Annual General Meeting on July 5, 2024.

IV. Further information about the convening of the meeting

1. Conditions for participating in the meeting and exercising voting rights

Pursuant to § 20 (1) of the Articles of Association, to be entitled to participate in the Annual General Meeting and exercise their voting rights, shareholders and/or their authorized representatives must have registered and submitted proof of their shareholding to the company in good time ahead of the Annual General Meeting. In order to provide proof of shareholding, a certification issued in text form in German or English by the depository financial institution or documentary evidence pursuant to § 67c (3) AktG which, pursuant to § 123 (4) Sentence 2 AktG in the version amended due to the German Act to Finance Futureproof Investments (German Future Financing Act), which has precedence in this respect over the requirements of the Articles of Association, refers to the beginning of the 22nd day prior to the Annual General Meeting, i.e. **Thursday, June 13, 2024, 0:00 hours (CEST)**, ("record date") will be sufficient.

Both the registration and the proof of shareholding must have been received by the company at least six days prior to the Annual General Meeting (not counting the date of the Annual General Meeting and the date of receipt), i.e. by the latest on **Friday, June 28, 2024, 24:00 hours (CEST)**, at the following post or e-mail address:

HORNBAACH Holding AG & Co. KGaA
c/o Better Orange IR & HV AG
Haidelweg 48
81241 Munich
Germany

E-mail: hornbach-holding@linkmarketservices.eu

The company is entitled to request further appropriate proof should it have any doubts as to the correctness or authenticity of the proof. Should such proof not be provided, or not in suitable form, then the company is entitled to reject the shareholder in question pursuant to § 20 (3) of the Articles of Association.

2. Significance of the record date

From the perspective of the company, only those persons or institutions having presented proof of shareholding are deemed as shareholders entitled to participate in the Annual General Meeting and exercise their voting rights. The right to participate in the Annual General Meeting and scope of voting rights are measured solely in terms of the shareholding held by the shareholder at the record date.

The record date does not involve any restriction on the disposability of such shareholding. Even when such shareholding is disposed of completely or in part following the record date, shareholders' participation in the Annual General Meeting and the scope of their voting rights are based solely on the shareholding held by the shareholder on the record date, i.e. disposals or other assignments of shares following the record date have no implications for their entitlement to participate in the Annual General Meeting and the scope of their voting rights. The same applies for the acquisition of shares or any increase in the number of shares held following the record date.

Persons not yet holding any shares as of the record date and only becoming shareholders subsequently are not entitled to participate or exercise any voting rights, unless they have been authorized as proxies or empowered to exercise such rights.

The record date has no implications for dividend entitlement.

3. Voting procedures, proxy voting

- a. Shareholders not wishing to participate in the Annual General Meeting themselves are entitled to have their voting rights at the Annual General Meeting exercised by an authorized representative, e.g. a shareholders' association or a person of their choice, or by the voting proxy appointed by the company. In these cases as well, shareholders must register for the Annual General Meeting in due time and submit proof of their shareholding in accordance with the aforementioned requirements.

The issuing of a power of attorney, its revocation, and the proof of authorization vis-à-vis the company must be made in text form, unless the authorized representative is an intermediary (e.g. a financial institution), a shareholders' association, or any other equivalent person or institution pursuant to § 135 AktG.

Powers of attorney may be issued vis-à-vis the company or the authorized representative. When issued vis-à-vis the authorized representative, proof of such must be provided to the company. This proof can be provided by the authorized representative presenting the power of attorney at the entry desk on the date of the Annual General Meeting. Moreover, powers of attorney issued vis-à-vis the company and proof of powers of attorney issued to the authorized representative may be communicated to the company by post or e-mail at the following address:

HORNBACH Holding AG & Co. KGaA
c/o Better Orange IR & HV AG
Haidelweg 48
81241 Munich
Germany

E-mail: hornbach-holding@linkmarketservices.eu

Furthermore, the password-protected online portal is available for this purpose at the website of HORNBACH Holding at www.hornbach-holding.de/en/investor-relations/annual-general-meeting.

Intermediaries (e.g. financial institutions), shareholders' associations, and other equivalent persons and institutions pursuant to § 135 AktG may stipulate different requirements for the form of power of attorney used to authorize them. In such cases, shareholders are requested to agree the form and procedure for issuing powers of attorney in good time with the person or institution to be authorized.

- b. The comments in a. apply by analogy to the revoking or amendment of powers of attorney.
- c. A form for issuing or revoking powers of attorney and submitting proof of such authorization is available for download from the website of HORNBACH Holding at www.hornbach-holding.de/en/investor-relations/annual-general-meeting. Upon request, a text version of this form will be forwarded to each shareholder. Wherever possible, shareholders are requested to issue powers of attorney using the form provided for this purpose by the company.
- d. As an additional service, we provide our shareholders and their authorized representatives with the option of being represented in accordance with their instructions at the Annual General Meeting by a voting proxy appointed by the company. This proxy exercises voting rights on the exclusive basis of the instructions issued by the shareholder or their authorized representatives.

Furthermore, please note that voting proxies cannot accept any instructions to make statements, pose questions, submit motions, or declare objections.

Those wishing to issue powers of attorney and instructions to the voting proxy appointed by the company are requested to do so using the password-protected online portal at www.hornbach-holding.de/en/investor-relations/annual-general-meeting or the form for issuing powers of attorney and instructions available for download from the website of HORNBACH Holding at www.hornbach-holding.de/en/investor-relations/annual-general-meeting. Upon request, a text version of this form will be forwarded to each shareholder. The form for issuing powers of attorney and instructions is also printed on the reverse side of the AGM ticket.

Powers of attorney and instructions issued by correctly registered shareholders and/or their authorized representatives to the voting proxy appointed by the company must have been received by the company at the post or e-mail address stated above under Point a. or via the password-protected online portal at www.hornbach-holding.de/en/investor-relations/annual-general-meeting at the latest by **Thursday, July 4, 2024, 24:00 hours (CEST)**; the same applies for the amending or revoking of powers of attorney or instructions. The time at which the respective document is received by the company is decisive.

In addition, shareholders or their authorized representatives who attend the Annual General Meeting but have to leave prior to voting also have the option upon leaving of issuing a power of attorney and specific instructions for the exercising of their voting rights to a voting proxy appointed by the company. To do so, they should use the form included on the voting ticket.

4. Shareholders' rights

a. Minority motions pursuant to § 122 (2) 2 AktG

Pursuant to § 122 (2) AktG, shareholders whose combined shareholdings are equivalent to one twentieth of the share capital or a prorated amount of € 500,000.00 are entitled to request that items be added to the agenda and announced. Such requests must be received by the company at least 30 days prior to the Annual General Meeting (not counting the date of the Annual General Meeting and the date of receipt), and thus at the latest by **Tuesday, June 4, 2024, 24:00 hours (CEST)**. Such requests must be addressed in writing to the General Partner of HORNBAACH Holding AG & Co. KGaA. Please use the following address:

HORNBAACH Holding AG & Co. KGaA
General Partner
HORNBAACH Management AG
Board of Management
Hornbachstrasse 11
76879 Bornheim bei Landau/Pfalz

Each new agenda item must be accompanied by a substantiation or a draft resolution. The respective shareholders are required by § 122 (2) and (1) Sentence 3 AktG to submit documentary evidence that they have owned the shares for at least 90 days prior to the company receiving the motion (not counting the date of receipt) and that they will hold the shares until the General Partner decides on the motion.

b. Countermotions and election proposals pursuant to § 126 (1) and § 127 AktG

Shareholders may submit countermotions to any proposal made by the management concerning a specific agenda item. Shareholders may also propose candidates for election as auditors and/or Supervisory Board members. Shareholders are requested to communicate any countermotions and election proposals exclusively to the following post or e-mail address:

HORNBAACH Holding AG & Co. KGaA
Investor Relations/Hauptversammlung
Hornbachstrasse 11
76879 Bornheim bei Landau/Pfalz

E-mail: gegenantraege.holding@hornbach.com

The company will publish any countermotions and election proposals requiring publication and received at the aforementioned post or e-mail address at the latest on **Thursday, June 20, 2024, 24:00 hours (CEST)**, together with the shareholder's name, any substantiation provided, and any statement made by the management, on the website of HORNBAACH Holding at www.hornbach-holding.de/en/investor-relations/annual-general-meeting.

The company may forego publication of a countermotion and its substantiation if the conditions set out in § 126 (2) AktG apply, specifically if publication of such by the General Partner would constitute a criminal offense, if the countermotion would lead to a resolution at the Annual General Meeting that would infringe the law or the Articles of Association, if the substantiation contains obviously incorrect or misleading information in material aspects, or if it contains insulting material, if a countermotion submitted by the shareholder on the same issue has already been published in connection with an Annual General Meeting of the company pursuant to § 125 AktG, if the same countermotion submitted by the shareholder with essentially the same substantiation has already been published by the company in connection with at least two Annual General Meetings pursuant to § 125 AktG in the past five

years and such countermotion was subsequently supported by less than one-twentieth of the share capital represented at the Annual General Meeting, if it is apparent that the shareholder does not intend to participate in or be represented at the Annual General Meeting, or if the shareholder did not propose a countermotion previously communicated, or have such countermotion proposed by others, at two Annual General Meetings in the past two years.

Substantiations of countermotions do not have to be published when they exceed a total of 5,000 characters in length. The above paragraphs apply *mutatis mutandis* to proposals submitted by shareholders for the election of auditors and/or Supervisory Board members. Apart from those cases set out in § 126 (2) AktG, the General Partner may also forego publication of election proposals submitted by shareholders when they do not include the name, profession exercised, and town/city of residence of the auditors and/or Supervisory Board members thereby proposed, as well as disclosures on their membership of other statutory supervisory bodies in the case of candidates proposed for election to the Supervisory Board. Disclosures on membership of comparable supervisory bodies at companies in Germany and abroad should be appended.

c. Right to information pursuant to § 131 (1) AktG

Pursuant to § 131 (1) AktG, each shareholder is entitled upon request to receive information from the General Partner on matters relating to the company at the Annual General Meeting, provided that such information is necessary for the appropriate assessment of the respective agenda item. This duty to provide information also includes the company's legal and business dealings with affiliated companies, as well as the situation of the Group and the companies included in the consolidated financial statements, as the consolidated financial statements and group management report are also presented to the Annual General Meeting under Agenda Item 1.

For the reasons outlined in § 131 (3) AktG, the General Partner may refuse to answer individual questions, for example if the disclosure of such information may, based on prudent business judgment, create a not inconsiderable disadvantage for the company or one of its affiliated companies. Pursuant to Article 21 (3) of the Articles of Association, the Chair of the Meeting may impose a reasonable limit on the time allocated to both statements and questions by shareholders. In particular, he may impose a reasonable limit on the duration of the entire Annual General Meeting, on the treatment of individual agenda items, and on individual statements and questions.

5. Further explanations and information on the company's website

The information for the Annual General Meeting required by § 124a AktG and the more detailed explanations of shareholders' rights required by § 122 (2), § 126 (1), § 127 and § 131 (1) AktG is available to shareholders at the website of HORNBAACH Holding at www.hornbach-holding.de/en/investor-relations/annual-general-meeting. The voting results will also be published at this internet address subsequent to the Annual General Meeting.

All times and deadlines stated in this invitation refer to Central European Summer Time (CEST), the relevant time zone for Germany. CEST is two hours behind coordinated universal time (UTC), i.e. UTC = CEST minus two hours.

6. Data protection information

We collect personal data about you if you register for the Annual General Meeting and/or about any person you authorize if you issue powers of attorney for your voting rights. Furthermore, we collect personal data about you and/or about any person you authorize if you issue powers of attorney and instructions to the voting proxy appointed by the company, and/or when the online portal is used. Personal data is collected in accordance with the requirements of the EU's General Data Protection Regulation (GDPR) and of all other relevant legislation. This data is collected to enable shareholders to exercise their rights at the Annual General Meeting and to enable the Annual General Meeting to be organized and conducted in an orderly manner. Details of your rights and of the treatment of your personal data by the responsible body, HORNBAACH Holding AG & Co. KGaA, can be found on the internet at www.hornbach-holding.de/en/investor-relations/annual-general-meeting.

7. Participation of Directors and Officers during the Annual General Meeting

All members of the Board of Management of the General Partner HORNBAACH Management AG and all members of the Supervisory Board intend to participate in the whole of the Annual General Meeting.

Total number of shares and voting rights upon the convening of the Annual General Meeting

Upon the convening of the Annual General Meeting, the company's share capital of € 48,000,000 is divided into 16,000,000 no-par ordinary shares. Each no-par ordinary share grants one vote, meaning that at the time the Annual General Meeting was convened, there were 16,000,000 voting rights in accordance with the Articles of Association. The company is not entitled to exercise any voting rights attributable to treasury stock; the company held 9,193 treasury stocks upon the convening of the Annual General Meeting.

Bornheim/Pfalz, May 2024

HORNBAACH Holding AG & Co. KGaA

HORNBAACH Management AG
(General Partner)

The Board of Management