

REMUNERATION REPORT 2021

I. REMUNERATION OF THE EXECUTIVE BOARD

The structure of Executive Board remuneration is geared towards sustainable and results-oriented corporate governance. The remuneration of the Executive Board takes into account the responsibility and scope of activities of the individual members and is based on the tasks of the individual Executive Board member, their personal performance, the size and economic situation of the company or the division for which they are responsible and, in particular, the success and future prospects of the company. In addition, the customary nature of the remuneration structure in the company's peer environment is taken into account.

The total remuneration of the Executive Board members consists of several non-performance-related fixed and performance-related variable short-term and long-term components. The total remuneration packages granted are reviewed annually by the Remuneration Committee for customary practice. After the SARS-Cov-2 pandemic in 2020 caused four of the Executive Board members to voluntarily waive 20% of their gross salaries temporarily for the short-time working period, the gross salaries were paid out again at the full contractually agreed amount in 2021.

In the financial year 2021, total remuneration of the Executive Board was paid in the amount of TEUR 1,112 (PY: TEUR 4,239). The difference in amount results from the warrants issued in 2020 and the increased number of stock options exercised from the Stock Options Program 2015 (Tranche 2016).

Pension commitments and payments to a member of the Executive Board in the event of early termination of Executive Board activities, including following a change of control, have not been agreed.

No loans or assumption of liability in favour of members of the Executive Board were granted in the reporting year.

FIXED REMUNERATION

The non-performance-related fixed remuneration component is intended to create an incentive for the Executive Board members to pursue the Company's objectives to the best of their ability and to act in the interests of the shareholders, the employees and also in the public interest. When determining the fixed remuneration components, the tasks as well as the professional experience of the individual Executive Board members are taken into account. This results in differentiated basic salaries per Executive Board member based on the strategic and operational areas of responsibility. The non-performance-related Executive Board remuneration consists of the fixed gross salary paid monthly and fixed benefits in kind, which cover the use of company cars, car allowance lump sums, meal lump sums and garage parking spaces provided. The fixed salary covers all overtime as well as the assumption of organ functions in Group companies. In the 2021 financial year, the fixed remuneration of all members of the Management Board totaled EUR 930 Thousand (2020: 931).

SHORT-TERM VARIABLE REMUNERATION COMPONENT

The calculation of the performance-related one-year variable remuneration is based on the extent to which the pre-agreed key performance indicators are achieved. Extraordinary effects, such as acquisitions in particular, are assessed separately. The main financial indicator in the 2021 financial year was EBITDA, with the audited consolidated financial statements of the S&T Group being the the audited consolidated financial statements of the S&T Group.

LONG-TERM VARIABLE REMUNERATION COMPONENT

By granting subscription rights for stock option programs (variable non-cash remuneration), an additional long-term, performance-related, share-based remuneration component was created, which promotes the interest of the beneficiaries in a sustainable corporate and earnings development of the company in the future. The stock options granted under the various stock option options programs can only be exercised after multi-year vesting periods defined in the programs and upon achievement of certain thresholds have been reached.

STOCK OPTION PROGRAMS AND WARRANT PROGRAM

Stock option programs represent the long-term remuneration component. The aim of the stock option programs is to link the amount of the The aim of the stock option programs is to link the level of variable remuneration directly to the long-term development of operating results and the company's share price. The stock option programs are designed to ensure that the management of the S&T Group is more closely aligned with the objectives of the company's shareholders of the company and also participate in the success achieved.

The company has adopted stock options programs for employees, officers and members of the Executive Board of the company or any of its affiliated companies.

STOCK OPTIONS PROGRAM 2018 (TRANCHE 2018 AND 2019)

In December 2018, a total of 1,000,000 stock options were granted to the members of the Executive Board of S&T AG and senior employees of S&T AG as well as the executives of selected Group companies on the basis of the Stock Options Program 2018 (Tranche 2019).

The term of the stock options program began on the issue date and ends after 60 months. The stock options can be exercised after a waiting period. The waiting period begins on the date of issue and ends after 36 months. The exercise periods defined in the Stock Options Program 2018 (Tranche 2019) are 30 stock exchange trading days each, beginning on the second stock exchange trading day after the publication of quarterly, semi-annual or annual reports and after the day of the annual press conference. Stock options not exercised expire at the end of the term. The stock options are only transferable between option holders, not to third parties. The Stock Options Program 2018 (Tranche 2019) provides for the company's sole right to deliver shares to the allottees against payment of the exercise price or to pay their entitlement in cash.

The fair value of the stock options granted was determined at the grant date using the Black/Scholes option pricing model. In the 2021 financial year no stock options from the Stock Option Program 2018 or Stock Option Program 2018 (Tranche 2019) could be exercised.

STOCK OPTIONS PROGRAM 2015 (TRANCHE 2016)

In March 2016, a total of 478,000 stock options were granted to the members of the Executive Board of S&T AG and senior employees of S&T AG as well as the executives of selected Group companies on the basis of the Stock Options Program 2015 (Tranche 2016).

The term of the stock options program began on the issue date and ends after 45 months. The stock options could be exercised after a waiting period. The waiting period began on the day of issue and ended after twelve or 24 months. The exercise periods defined in the Stock Options Program 2015 (2016 Tranche) were 20 stock exchange trading days each, beginning on the second stock exchange trading day after the publication of quarterly, semi-annual or annual reports as well as after the day of the annual press conference. Stock options not exercised expire at the end of the term. The stock options were only transferable between option holders, not to third parties. The Stock Options Program 2015 (Tranche 2016) provided for the company's sole right to deliver shares to the allottees against payment of the exercise price or to pay their entitlement in cash.

The fair value of the stock options granted was determined at the grant date using the Black/Scholes option pricing model.

In the financial year 2020, 31,000 options (PY: 7,000 options) relating to the Stock Options Program 2015 (Tranche 2016) were exercised. All stock options granted under the 2015 stock option program (2016 tranche) have thus been exercised. The 2015 Stock Option Program 2015 (2016 tranche) expired in December 2020.

The following table shows the key parameters at the time of granting the stock option programs in effect in the 2021 financial year:

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	STOCK OPTIONS PROGRAM 2018	STOCK OPTIONS PROGRAM 2018 (TRANCHE 2019)
Number of stock options	500,000	500,000
Day of issuance	December 21, 2018	December 21, 2018
Term	5 years	5 years
Exercising price	Closing quote on issuance day	Closing quote on issuance day
Stock quote on the day of issuance	EUR 15.71	EUR 15.71
Dividend yield	1.44%	1.44%
Expected volatility	36.58%	36.58%
Interest rate	0.23%	0.23%
Expected term of the options	4.43 years	4.43 years
Option price	EUR 3.74	EUR 3.74

The weighted average exercise prices of the options exercised and the weighted average share prices at the date of exercise are as follows:

	STOCK OPTIONS PROGRAM 2015 (TRANCHE 2016)	
IN EUR	2021	2020
Average weighted price of exercising of options exercised	0.00	5.74
Average weighted stock quote on day of exercising of options	0.00	18.58

As of December 31, 2021, the outstanding rights for the Stock Options Program 2018 total 500,000 (PY: 500,000), for the Stock Options Program 2018 (Tranche 2019) total 500,000 (PY: 500,000) and for the warrant program 2020 (for details on the issue of warrants/authorised capital, please refer to Annual Report 2021 Section D, Note (22)) 2,000,000 (PY: 2,000,000).

WARRANTS 2020

On the basis of a prospectus approved by the Austrian Financial Market Authority (FMA), 500,000 warrants were offered for public subscription to selected key employees of the S&T Group for the quoted price per warrant on July 13, 2020. Following expiry of the offer period and the rump placement, the Executive Board, with the approval of the Supervisory Board, determined the final quantity of warrants and the distribution of the warrants offered as follows: A total of 2,000,000 warrants, consisting of 1,500,000 allotted warrants and 500,000 publicly offered warrants for which orders to purchase were received by the company within the deadline, were issued; 112 eligible subscribers who submitted subscription certificates for a total of 420,665 offered warrants received the full allotment. The remaining 79,335 offered warrants were allotted to those eligible for allotted shares on the basis of the subscription certificates they had submitted for the rump placement.

As of July 30, 2020, the warrants passed to the regulated over-the-counter market at the Vienna stock exchange. The warrants have been/will be delivered to those eligible to receive them.

In the financial year 2021, the expenditure for the stock options programs recognised in personnel expenses amounts to TEUR 1,038 (PY: TEUR 4,057).

NUMBER OF STOCK OPTIONS OR STOCK WARRANTS GRANTED	STOCK OPTION-PROGRAM 2015 (TRANCHE 2016)	STOCK OPTION-PROGRAM 2018	STOCK OPTION-PROGRAM 2018 (TRANCHE 2019)	WARRANTS 2020*
Hannes Niederhauser	0	70,000	70,000	600,000
Richard Neuwirth	150,000	70,000	70,000	330,000
Peter Sturz	30,000	70,000	70,000	210,000
Michael Jeske	160,000	70,000	70,000	210,000
Carlos Queiroz	0	70,000	70,000	0
Total	340,000	350,000	350,000	1,350,000

* In addition, further warrants were acquired against payment by the Executive Board under the warrants program 2020 on the basis of the public prospectus (acquired number of shares: Niederhauser: 9,225, Neuwirth: 9,225, Sturz: 1,000, Jeske: 2,000, Queiroz: 50,000). In the 2021 financial year, further purchases of stock options and warrants were made by the Executive Board.

SPECIAL GRATUITIES AND BONUSES

The Supervisory Board has in the past reserved the possibility of granting special bonuses to the Executive Board for special performance. No such special bonuses were granted in the 2020 financial year or in previous years. On June 8, 2021, the Annual General Meeting approved the deletion of this passage for the granting of special bonuses for special performance for resolution.

The following tables show the grants awarded and the inflows paid out in the financial year. For the grants awarded, in addition to the actual amount awarded, the possible minimum amount and the maximum amount to be achieved are also indicated. The subscription rights granted for stock options from stock options programs are calculated according to fair value (option price) at the time of granting. The fixed remuneration components and the inflow from the one-year variable remuneration are reported for the inflow in the financial year. If stock options from stock options granted in previous years were exercised in the financial year, the relevant inflow amount for tax purposes is stated.

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GRANTS MADE IN THE FINANCIAL YEAR IN TEUR	HANNES NIEDERHAUSER CEO 21.05.2012				RICHARD NEUWIRTH CFO 01.07.2013				PETER STURZ COO, SERVICES EE 06.11.2012			
	2021	2021 (MIN)	2021 (MAX)	2020	2021	2021 (MIN)	2021 (MAX)	2020	2021	2021 (MIN)	2021 (MAX)	2020
REMUNERATION INDEPENDENT OF PERFORMANCE												
Gross salary	7	7	7	7	275	275	275	275	260	260	260	250
Fixed remuneration in kind ¹⁾	12	12	12	6	12	12	12	12	12	12	12	12
Total fixed remuneration	19	19	19	13	287	287	287	287	272	272	272	262
PERFORMANCE-RELATED REMUNERATION												
One-year variable remuneration ²⁾					140		206	130	229		338	27
Multi-year variable remuneration												
Stock option programs - with long-term share-based incentive effect ³⁾												
SOP 2015 (Tranche 2016)												
SOP 2018												
SOP 2018 (Tranche 2019)												
Warrants 2020 ⁴⁾				1,230				677				431
Total variable remuneration				1,230	140		206	807	229		338	458
Pension expenses												
Total	19	19	19	1,243	427	287	493	1,093	500	272	610	720

GRANTS MADE IN THE FINANCIAL YEAR IN TEUR	MICHAEL JESKE COO, SERVICES DACH 28.05.2009				CARLOS QUEIROZ COO, IOT SOLUTIONS EUROPE 21.08.2017				TOTAL			
	2021	2021 (MIN)	2021 (MAX)	2020	2021	2021 (MIN)	2021 (MAX)	2020	2021	2021 (MIN)	2021 (MAX)	2020
REMUNERATION INDEPENDENT OF PERFORMANCE												
Gross salary	150	150	150	175	183	183	183	175	875	875	875	882
Fixed remuneration in kind ¹⁾	11	11	11	11	9	9	9	9	55	55	55	49
Total fixed remuneration	161	161	161	186	192	192	192	184	930	930	930	931
PERFORMANCE-RELATED REMUNERATION												
One-year variable remuneration ²⁾	55		113					105	424		657	262
Multi-year variable remuneration												
Stock option programs - with long-term share-based incentive ³⁾												
SOP 2015 (Tranche 2016)												
SOP 2018												
SOP 2018 (Tranche 2019)												
Warrants 2020 ⁴⁾				431								2,768
Total variable remuneration	55		113	431				105	424		657	3,030
Pension expenses												
Total	216	161	273	616	192	192	192	289	1,353	930	1,586	3,961

1) Fixed remuneration in kind included: Car allowance, if applicable, garage spaces and meal allowances

2) Bonus based on individually agreed performance indicators

3) Allowance from SOP = granted SOP number of units x option price

4) The allocated warrants 2020 represent the long-term variable remuneration of the Executive Board for three financial years. There is a waiting period of three years and an exercise threshold in relation to the development of the share price. In addition, further warrants were acquired for consideration by the Executive Board under the 2020 warrant program on the basis of the public prospectus (for the number of 2021 warrants held as at December 31, 2021, see "Corporate Governance Report").

INFLOW IN THE FINANCIAL YEAR IN TEUR	HANNES NIEDERHAUSER CEO 21.05.2012		RICHARD NEUWIRTH CFO 01.07.2013		PETER STURZ COO, SERVICES EE 06.11.2012	
	2021	2020	2021	2020	2021	2020
REMUNERATION INDEPENDENT OF PERFORMANCE						
Gross salary ¹⁾	7	7	275	251	260	229
Fixed remuneration in kind ²⁾	12	6	12	12	12	12
Total fixed remuneration	19	13	287	263	272	240
PERFORMANCE-RELATED REMUNERATION						
One-year variable remuneration ³⁾			155	150		
Multi-year variable remuneration						
Stock option programs - with long-term share-based incentive ⁴⁾						
SOP 2015 (Tranche 2016)						363
SOP 2018						
SOP 2018 (Tranche 2019)						
Warrants 2020 ⁵⁾		1,230		677		431
Total variable remuneration		1,230	155	827		793
Pension expenses						
Total	19	1,243	442	1,090	272	1,033

INFLOW IN THE FINANCIAL YEAR IN TEUR	MICHAEL JESKE COO, SERVICES DACH 28.05.2009		CARLOS QUEIROZ COO, IOT SOLUTIONS EUROPE 21.08.2017		TOTAL	
	2021	2020	2021	2020	2021	2020
REMUNERATION INDEPENDENT OF PERFORMANCE						
Gross salary ¹⁾	150	160	183	158	875	804
Fixed remuneration in kind ²⁾	11	11	9	9	54	49
Total fixed remuneration	161	171	192	167	929	854
PERFORMANCE-RELATED REMUNERATION						
One-year variable remuneration ³⁾	28			105	183	255
Multi-year variable remuneration						
Stock option programs - with long-term share-based incentive ⁴⁾						
SOP 2015 (Tranche 2016)						363
SOP 2018						
SOP 2018 (Tranche 2019)						
Warrants 2020 ⁵⁾		431				2,768
Total variable remuneration	28	431		105	183	3,385
Pension expenses						
Total	188	601	192	272	1,112	4,239

1) Gross salary granted (in 2020 less voluntary salary waiver by the Executive Board members Neuwirth, Sturz, Jeske and Queiroz)

2) Fixed remuneration in kind included: Car allowance, if applicable, garage spaces and meal allowances

3) Bonus based on individually agreed performance indicators

4) Variable remuneration in kind: exercised stock options (number of shares x (share price at disposal date - option price granted)) + granted stock options and warrants (number of shares x option price)

5) The allocated warrants 2020 represent the long-term variable remuneration of the Executive Board for three financial years. There is a waiting period of three years and an exercise threshold in relation to the development of the share price. In addition, further warrants were acquired for consideration by the Executive Board under the 2020 warrant program on the basis of the public prospectus (for the number of 2021 warrants held as at December 31, 2021, see "Corporate Governance Report").

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II. REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the members of the Supervisory Board in the financial year 2021 consisted of a position-dependent, annual fixed remuneration and attendance fees for participation in Supervisory Board and committee meetings.

The remuneration of the members of the Supervisory Board is determined in such a way that it is in line with the tasks and the situation of the company. In the past, the Supervisory Board members received remuneration that was rather at the lower end compared to the peer group, to their tasks and the situation of the company. Therefore, in June 2020, a new regulation for the remuneration of the Supervisory Board was presented to the Annual General Meeting and the remuneration was frequently adjusted in line with the market in accordance with the contents of the resolution.

The remuneration for the Supervisory Board shall promote the business strategy and long-term development of the company by taking into account the responsibility and scope of activities of the individual Supervisory Board members as well as the economic situation of the company. In order to ensure unbiased supervision of the management by the Supervisory Board, no variable remuneration, bonuses or share-based payments are granted to the members of the Supervisory Board.

Supervisory Board remuneration generally consists of an annual fixed fee and an attendance fee for Supervisory Board and committee meetings. In view of the greater responsibility and the wider scope of activities, the Chairman of the Supervisory Board, his/her Deputy and the Chairman of the Audit Committee are granted a higher lump-sum remuneration than the ordinary members of the Supervisory Board. The fixed annual remuneration, adjusted in 2020, amounts to TEUR 50 for the Chairman of the Supervisory Board, TEUR 40 for his deputy and TEUR 30 for each additional member. The chairman of the audit committee is paid TEUR 20 for his work, and the deputy chairman of the audit committee is paid TEUR 10.

In addition, each member is paid TEUR 1.5 for attending Supervisory Board or committee meetings in person or via video/audio conferencing system. If several sessions are held on one day, the session fee shall only be granted once for that day. The fee was not changed in 2021 compared to the previous year.

If members of the supervisory board take on a special activity in the company, they may be granted special remuneration for this by resolution of the general meeting. This was not the case in the 2021 financial year.

COMPONENTS OF SUPERVISORY BOARD REMUNERATION IN TEUR	2021	2020
Chairperson of the Supervisory Board	50	50
Remuneration of the Deputy Chairperson	40	40
Remuneration members	30	30
Audit Committee Chairperson	20	20
Audit Committee Deputy Chairperson	10	10
Meeting fee per Supervisory Board meeting (attendance or qualified telephone/video participation) ¹⁾	2	2
Meeting fee per committee meeting (attendance or qualified telephone/video participation) ¹²⁾	2	2

1) Meeting fees for personal attendance or qualified telephone/video participation in Supervisory Board and committee meetings

2) not applicable if Supervisory Board meeting takes place on the same day

The remuneration is paid annually in arrears based on the approval of the Annual General Meeting. In fiscal year 2021, the compensation of the members of the Supervisory Board totaled TEUR 245 (PY: TEUR 234), expenses in the fiscal year 2021 were TEUR 138 (PY: TEUR 243). The remuneration of the members of the Supervisory Board, broken down by fixed remuneration component and meeting fees, in the financial year 2021 and the previous year's remuneration in 2020 is as follows:

REMUNERATION OF THE SUPERVISORY BOARD ACCORDING TO MEMBERS IN TEUR	FIXED REMUNERATION		MEETING FEES ¹⁾		TOTAL REMUNERATION	
	2020	2019	2020	2019	2020	2019
Dr. Erhard F. Grossnigg (Chairman) ²⁾	35	18	2	6	37	24
Mag. Claudia Badstöber (Chairwoman) ³⁾	30		5		35	
Mag. Bernhard Chwatal (Deputy Chairman)	55	12	6	6	61	18
Hui-Feng Wu (Ed Wu)	30	10			30	10
Fu-Chuan Chu (Steve Chu)	30	10	6	5	36	15
Yu-Lung Lee (Max Lee) ⁴⁾	30	6	6	5	36	11
Hsi-Chung Tsao (Hans Tsao) ⁵⁾		4		2		5
Total	210	60	24	23	234	83

1) Meeting fees based on the number of personal or video participations in Supervisory Board and committee meetings

2) Dr. Erhard Grossnigg left the Supervisory Board on June 16, 2020, the fixed remuneration for 2020 was calculated on a pro rata basis

3) Mag. Claudia Badstöber joined the Supervisory Board on June 16, 2020, the fixed remuneration for 2020 was calculated on a pro rata basis

4) Yu-Lung Lee (Max Lee) joined the Supervisory Board on May 21, 2019, the fixed remuneration for 2019 was calculated on a pro rata basis

5) Hsi-Chung Tsao (Hans Tsao) left the Supervisory Board on May 21, 2019, the fixed remuneration for 2019 was calculated on a pro rata basis

In the financial year 2021, the members of the Supervisory Board did not receive any other remuneration or other benefits for services rendered personally, such as consulting and mediation services, apart from those mentioned above.

No loans or assumption of liability in favour of members of the Supervisory Board were granted in the reporting year.

D&O INSURANCE

The company has taken out directors' and officers' liability insurance (D&O insurance) in favour of the Executive Board and the Supervisory Board as well as the management of the consolidated subsidiaries. No deductible has been agreed for the D&O insurance, which covers the legal liability arising from Executive Board, Supervisory Board and management activities.