

A. PRINCIPLES OF THE REMUNERATION SYSTEM FOR EXECUTIVE BOARD MEMBERS OF PORSCHE AG

“A brand for those who follow their dreams”. Dr. Ing. h.c. F. Porsche AG (“**Porsche AG**” or the “**Company**”) focuses on high-quality and exclusive products, electromobility and sustainability. The sports car manufacturer transfers its rich history and motorsport DNA into the future, redefining the concept of modern luxury. Porsche is a global and iconic luxury brand. With a passion for design, performance and the highest quality.

Porsche AG has defined its overarching strategic objectives along the four stakeholder dimensions of customers, society, employees and investors. In line with these objectives, the Company aspires to be one of the most recognised brands in the automotive luxury segment globally and one that particularly excites its customers. Sustainability is now an even bigger priority. The Company's ambition is to be CO₂-neutral across the entire value chain by 2030, including a CO₂-neutral usage phase for new Battery Electric Vehicle models. Porsche is also rising to the financial challenges of transformation. The Company is investing extensively, among other things in sustainability, innovation, digitalisation and further training.

The strategic objectives of Porsche AG are systematically promoted by the structure of the Remuneration System for Executive Board members of Porsche AG, in particular as regards the selection of financial and non-financial performance conditions. The short-term incentive (annual bonus, “**STI**”) is based on the financial performance targets net cashflow margin (**NCF margin**) of the Automotive segment of Porsche AG and operating return on sales (**ROS**) of Porsche AG Group as well the achievement of sustainability targets (environmental, social and governance, “**ESG Targets**”). The financial performance targets promote the strategic objective of competitive earning power. Porsche AG assumes responsibility, which is why relevant ESG Targets such as decarbonisation, gender quota, employee satisfaction and customer satisfaction as well as a governance factor have been taken into account as quantifiable targets, which are also enshrined in the corporate strategy of Porsche AG. Thus, the Remuneration System makes a significant contribution to the Company's sustainable and long-term successful development and to increase the entity value of the Porsche AG Group.

In order to align the remuneration of the members of the Executive Board with the successful development of the Porsche AG Group over the long term, the long-term variable remuneration (Long Term Incentive, "LTI") accounts for a significant proportion of the total remuneration. The LTI is awarded in the form of a virtual performance share plan having a four-year performance period. The financial performance target is the earnings per preferred share of Porsche AG (earnings per share, "EPS") during the performance period. In addition, the payment amount depends on the performance of the share price and the dividends distributed on preferred shares of Porsche AG during the performance period. The EPS financial performance target in combination with share price performance and dividends distributed, measured over four years, ensures that conduct-related incentives have a long-term effect and promotes the strategic objective of competitive earning power. Since EPS is an important indicator for evaluating shares, investors' interests are also taken into account.

The Remuneration System serves as a key control element to align the remuneration of Executive Board members with the interests of shareholders and other stakeholders and provides important incentives for implementing the corporate strategy. The ambition to promote the successful development of the Porsche AG Group collectively and as a team is deeply rooted in the culture of Porsche AG. In order to promote and continuously strengthen this special culture, the Executive Board and Supervisory Board work closely together to ensure that the performance criteria and targets upon which the variable remuneration is based also apply to the management levels below the Executive Board.

The Supervisory Board of Porsche AG first resolved a Remuneration System for Executive Board Members of Porsche AG in accordance with the requirements of section 87a German Stock Corporation Act on 14 September 2022; this was approved by the General Meeting on 28 June 2023 with 100% of the votes cast. The Supervisory Board regularly reviews the amount and composition of the Executive Board members'

remuneration. In doing so, the Supervisory Board takes particular account of the developments in the remuneration paid by the companies in the peer group and other DAX companies as well as the recommendations of investors. The Supervisory Board resolved on 15 September 2023 to adjust the Remuneration System with effect from 1 January 2024. With the adjustment, in particular, in the STI, the previous return on investment (ROI) financial performance target is replaced by the NCF margin financial performance target and employee satisfaction is added as a further ESG target. The NCF margin is a key performance indicator to align the remuneration of the Executive Board members with the interests of the capital market. By adding employee satisfaction, sustainability aspects are taken into account even more broadly and people are placed even more strongly at the centre of Porsche AG's activities. High employee satisfaction will also continue to secure Porsche AG's leading role in the "war for talents".

The Remuneration System for Executive Board members of Porsche AG is clear and easy to understand. It complies with the requirements of the German Stock Corporation Act and takes into account the recommendations of the German Corporate Governance Code (GCGC) as effective from 27 June 2022.

The adjusted Remuneration System applies as of 1 January 2024 to all Executive Board members of Porsche AG.

B. DETAILS OF THE REMUNERATION SYSTEM

I. Remuneration components

1. Overview of the remuneration components and their relative share in the remuneration

The remuneration of the members of the Executive Board consists of fixed and variable components. Fixed components of the remuneration of the members of the Executive Board are the monthly base salary, fringe benefits and the company pension scheme. Variable components are the STI with a one-year performance period and the LTI as a virtual performance share plan with a four-year performance period. In addition, the members of the Executive Board were promised a one-time IPO Bonus for the successful IPO of Porsche AG.

Component of remuneration	Assessment basis/parameter	
Components of fixed remuneration		
Base salary	At the end of each month	
Fringe benefits	Usual fringe benefits including, among others: <ul style="list-style-type: none"> — a vehicle including a fuel/charging card, which may also be used for private purposes; taxes payable on the benefit in kind (<i>geldwerter Vorteil</i>) will be borne by Porsche AG — eligible for two leased vehicles — lump-sum tax on non-cash benefits (<i>Sachbezugspauschale</i>) — allowance for health and long-term care insurance (<i>Kranken- und Pflegeversicherung</i>) — medical check-ups — insurances (accident insurance, baggage insurance, D&O insurance) — safety measures 	
Company pension scheme (<i>betriebliche Altersversorgung—bAV</i>)	— Contribution-oriented benefit plan (<i>beitragsorientierte Versorgungszusage</i>) with an annual pension expense (<i>Versorgungsaufwand</i>) in the amount of 40% of the basic annual salary from the renewal of the appointment and for new hires	
Components of variable remuneration		
Short-term incentive (STI)	Type of plan:	Target bonus
	Cap:	180% of the target amount
	Performance criteria:	<ul style="list-style-type: none"> — net cashflow margin of Porsche AG's Automotive segment (50%) — operating return on sales of the Porsche AG Group (50%) — ESG Targets (multiplier 0.63–1.43)
	Performance period:	Respective financial year
	Payment:	In cash in the month following the approval of the consolidated financial statements for the relevant financial year
Long-term incentive (LTI)	Type of plan:	Virtual performance share plan
	Cap:	200% of the target amount
	Performance criteria:	EPS (100%) of the Porsche AG Group
	Performance period:	Four years, future-oriented
	Payment:	In cash in the month following the approval of the consolidated financial statements of Porsche AG for the last year of the performance period
Other benefits		
IPO Bonus	In the form of virtual shares with a term of one to three years as from the IPO	
Temporary benefits or benefits agreed for the entire term of the service agreement for new Executive Board members	<ul style="list-style-type: none"> — If applicable, payments to compensate for forfeited variable remuneration or other financial disadvantages — If applicable, benefits in connection with a material relocation 	

Based on the Remuneration System, the Supervisory Board determines the specific target total remuneration for each Executive Board member. The target total remuneration determined is appropriate in relation to the duties and performance of the Executive Board member and the situation of the company and does not exceed the usual remuneration unless there are good reasons. The target total remuneration

consists of the sum of the relevant remuneration components for the total remuneration. The total remuneration includes the base salary, the STI and LTI as well as the fringe benefits and the expense for the Company pension scheme. In the case of STI and LTI, the target amount for 100% target achievement is used as a basis.

The table below shows the relative proportions of the fixed and variable remuneration components in relation to the target total remuneration.

	Fixed remuneration (base salary + fringe benefits + company pension scheme)	Variable remuneration	
		STI	LTI
Chairperson of the Executive Board/Executive Board members	30–45	20–30	30–45

In the case of the Chairperson of the Executive Board, as at 1 January 2024, the fixed remuneration (base salary and pension expense for the company pension scheme) represents approx. 36% of the target total remuneration and the variable remuneration represents approx. 64% of the target total remuneration. The STI (target amount) represents approx. 26% of the target total remuneration and the LTI (target amount) represents approx. 38% of the target total remuneration.

In the case of the other Executive Board members, as at 1 January 2024, the fixed remuneration (base salary, fringe benefits and expense for the company pension scheme) represents approx. 38% of the target total remuneration and the variable remuneration represents approx. 62% of the target total remuneration. The STI (target amount) represents approx. 25% of the target total remuneration and the LTI (target amount) represents approx. 37% of the target total remuneration.

The above percentages may deviate in future financial years. Such a deviation can arise, for example, due to benefits granted to new Executive Board members in accordance with section 4 or due to changes in the expenses for fringe benefits or the company pension scheme.

2. Components of fixed remuneration

2.1 Base Salary

The Executive Board members are paid a base salary in twelve equal instalments, each of them being paid out at the end of a month.

2.2 Company pension scheme

Porsche AG may grant Executive Board members who are newly appointed or whose agreements are renewed, starting from the time of such renewal, a contribution-oriented benefit plan (*beitragsorientierte Leistungszusage*) by way of a direct pension commitment concerning retirement benefits, invalidity benefits and survivors' benefits which are funded by a Contractual Trust Arrangement. In addition, Executive Board members may be promised further benefits for invalidity and death events. The retirement benefits promised may be

received from the age of 67; early disbursement is possible from the age of 63. The annual pension contribution amounts to 40% of the annual base salary as contractually agreed upon in each case.

In addition, Porsche AG enables the Executive Board members to participate in the additional employee-financed company pension scheme ("**Deferred Compensation**"), provided for employees. In each financial year, the Executive Board members may apply for a conversion for part of their variable remuneration components, up to a maximum amount of €1,000,000 per financial year. Porsche AG currently pays interest at a rate of 3% for the converted remuneration. Remuneration components that were already converted prior to the introduction of the Remuneration System bear interest at the interest rate specified at the respective conversion date. In the event of a change in the interest rate for the employees, the new interest rate only applies to the members of the Executive Board if the Supervisory Board approves the change.

2.3 Fringe benefits

Porsche AG grants the Executive Board members fringe benefits, the scope of which is provided for in the relevant resolutions as adopted by the Supervisory Board. Currently, the Executive Board members receive, for example, a company vehicle including a fuel/charging card, which may also be used for private purposes (with tax payable on the benefit in kind being borne by the Company), two leased vehicles, an allowance for health and long-term care insurance, safety measures (if required), medical check-ups and premiums payable for a group accident insurance, baggage insurance and D&O insurance. Moreover, they are enabled to benefit from lump-sum taxation on noncash benefits (*Sachbezugspauschale*). In the case of foreign matters, tax disadvantages may also be compensated. Notwithstanding this, the Chairman of the Executive Board currently does not receive any fringe benefits by Porsche AG. He exclusively receives fringe benefits from Volkswagen AG in line with the catalogue of fringe benefits applicable to members of the Executive Board of Volkswagen AG.

3. Components of variable remuneration

The components of variable remuneration will be set out in detail below. It will be made clear how the achievement of performance criteria and payment amounts granted as variable remuneration are connected. Furthermore, it will be explained in which form, and when, the members of the Executive Board can dispose of the variable remuneration amounts granted.

3.1 Short Term Incentive (STI)

The STI is a performance-based bonus with a one-year performance period. Relevant for the assessment of the target achievement amount are, on the hand, the development of the financial performance targets net cashflow margin of Porsche AG's Automotive segment and operating return on sales of the Porsche AG Group (collectively, the "**Financial Sub-targets**"). On the other hand, the amount of the STI depends on the development of targets in the areas of environment, social and governance, which are taken into account by using a multiplicative factor ("**ESG Factor**").

3.1.1 Financial Sub-targets

The financial sub-targets net cashflow margin of Porsche AG's Automotive segment and operating return on sales of the Porsche AG Group are each weighted at 50%. The Supervisory Board may decide, at its reasonable discretion, to adjust the weighting of the financial sub-targets for future financial years.

The Supervisory Board determines the values for the financial sub-target for each financial year. In this context, the Supervisory Board determines:

- with regard to the net cashflow margin of Porsche AG's Automotive segment (NCF margin):
 - a threshold value corresponding to a sub-target achievement level of 50%,
 - a target value corresponding to a sub-target achievement level of 100%,
 - a maximum value corresponding to a sub-target achievement level of 200%.
- with regard to the operating return on sales of the Porsche AG Group (ROS):
 - a threshold value corresponding to a sub-target achievement level of 50%,
 - a target value corresponding to a sub-target achievement level of 100%,
 - a maximum value corresponding to a sub-target achievement level of 200%.

Values between the threshold value and the target value and between the target value and the maximum value are linearly interpolated.

The Supervisory Board may adjust the actually calculated sub-target achievement level of the sub-target net cash flow margin (NCF margin) of Porsche AG's Automotive segment at its reasonable discretion in justified exceptional cases in order to ensure a performance-based assessment of the sub-target net cash flow margin (NCF margin) of Porsche AG's Automotive segment. The adjustment may lead to an increase or decrease in the sub-target achievement level of the sub-target net cash flow margin (NCF margin) of Porsche AG's Automotive segment. Justified exceptions are, in particular, reorganisations of the company pension scheme that have an effect cashflow, the sale or acquisition of undertakings or restructuring. Generally unfavourable market developments are not considered a justified exception. The overall financial target achievement level is calculated from the sum of the weighted sub-target achievement levels in accordance with the following formula:

$$\begin{aligned} & \text{overall financial target achievement level} \\ &= \text{sub-target achievement level of net cashflow margin} \\ & \times 50\% + \text{sub-target achievement level of operating} \\ & \text{return on sales} \times 50\% \end{aligned}$$

3.1.2 ESG Factor

The ESG Factor comprises the environment sub-target, the social sub-target and the governance factor (collectively, the "**ESG Sub-targets**"). The environment sub-target takes into account the decarbonisation index criterion, the social sub-target takes into account the gender quota, customer excitement index and employee satisfaction criteria, and the governance factor takes into account the compliance & integrity criteria (the "**ESG Criteria**"). The Supervisory Board may decide, at its reasonable discretion, to replace or supplement individual ESG Sub-targets, or the ESG Criteria determined, for future financial years if it holds the view that ESG Sub-targets, or ESG Criteria other than those provided for in this section are better suited to reflect developments in the areas of environment, social and governance and to incentivise Executive Board members.

For each financial year, the Supervisory Board determines the following for the sub-targets environment and social:

- a minimum value corresponding to a sub-target achievement level of 0.7,
- a target value corresponding to a sub-target achievement level of 1.0,
- a maximum value corresponding to a sub-target achievement level of 1.3.

values between the minimum value and the target value and between the target value and the maximum value are linearly interpolated. The environment sub-target is weighted at 40%. The social sub-target is weighted at 60%. Within the social sub-target, the ESG Criteria are weighted equally. The Supervisory Board may decide, at its reasonable discretion, to weight the ESG Sub-targets and the ESG Criteria applicable under any ESG-Sub-target differently for future financial years.

After the end of the financial year, the Supervisory Board determines a governance factor ranging from 0.9 to 1.1. In this context, the Supervisory Board evaluates the collective performance of the entire Executive Board and the individual performance of the individual Executive Board members with regard to integrity and compliance in the financial year.

The ESG Factor is calculated from the sum of the weighted target achievement level of the environment sub-target and social sub-target multiplied by the governance factor in accordance with the following formula.

$$\begin{aligned} & \text{ESG Factor} \\ & = [\text{environment sub-target achievement level} \\ & \quad \times 40\% + \text{social sub-target achievement level} \\ & \quad \times 60\%] \times \text{governance factor (0.9–1.1)} \end{aligned}$$

3.1.3 Calculation of the payment amount

After the end of a financial year, the target achievement level is determined in accordance with the following formula:

$$\begin{aligned} & \text{STI} \\ & = \text{individual target amount level} \times \text{overall target achievement} \\ & \quad \text{level} \times \text{ESG Factor.} \end{aligned}$$

The Supervisory Board then assesses whether the payment amount is to be reduced due to a Malus Element (see section 3.3). The payment amount so calculated is due for payment in the month following the approval of the Company's consolidated financial statements for the relevant financial year. The payment amount under the STI is capped at 180% of the target amount level.

3.1.4 Executive Board members joining/leaving during a financial year and extraordinary events or developments

If the term of a service agreement starts or ends during a current financial year, the target amount level is reduced pro rata temporis to the date of the start or end of the respective service agreement. The target amount level will also be reduced pro rata temporis for times when the Executive Board member has no entitlement to remuneration with an existing service agreement (e.g. due to suspension of employment or due to inability to work without entitlement to continued remuneration).

In the event of extraordinary events or developments, Porsche AG is entitled to appropriately adjust the terms and conditions of the STI at its reasonable discretion. For example, extraordinary events or developments may include: an acquisition by any of the Porsche AG Group entities or a disposal of an entity, or parts of an entity or equity interests in entities, by any of the Porsche AG Group entities, a merger of Porsche AG with another entity, material changes to the shareholder structure of Porsche AG, changes to the legal and/or regulatory framework, economic consequences of a significant exogenous shock (e.g. war, pandemic or natural disaster) or high levels of inflation.

3.2 Long Term Incentive (LTI)

3.2.1 Performance share plan/financial targets

The LTI is awarded in the form of a virtual performance share plan having a four-year performance period. The relevant financial performance target is the audited, fully diluted earnings per preferred share of Porsche AG (earnings per share, "EPS") from continuing and discontinued operations, as reported in Porsche AG's consolidated financial statements, during the performance period.

At the beginning of each financial year, a tranche of performance shares of Porsche AG's preferred share is allocated to the Executive Board members for that financial year; performance shares are used for calculation purposes only. Such tranche begins on 1 January of the first financial year of the performance period ("**Grant Financial Year**") and ends on 31 December of the third financial year following the Grant Financial Year. The number of performance shares to be conditionally allocated is calculated based on the agreed target award level as applicable at the time of allocation, divided by the arithmetic mean of the closing prices of Porsche AG's preferred share (German Securities Identification Code: PAG911) in the XETRA trading system of Deutsche Börse AG (or any trading system replacing it) on the last 30 trading days before 1 January of the relevant performance period.

The final number of performance shares at the end of a performance period depends on the development of the Porsche AG Group's EPS during that four-year performance period (arithmetic mean of annual EPS target achievement levels during the four financial years of the performance period, expressed as a percentage). For the purpose of determining the target achievement level, the Supervisory Board determines the following at the beginning of a performance period:

- an EPS minimum value corresponding to a target achievement level of 50%,
- an EPS target value corresponding to a target achievement level of 100%, and
- an EPS maximum value corresponding to a target achievement level of 150%.

Linear interpolation is used to determine values between the EPS minimum value and the EPS target value and between the EPS target value and the EPS maximum value.

3.2.2 Calculation of the payment amount

At the end of a performance period, the payment amount under the performance share plan is calculated by multiplying the final number of performance shares with the arithmetic mean of the closing prices of Porsche AG's preferred share on the last 30 trading days before the end of that performance period and the dividends paid per preferred share of Porsche AG during the performance period. Dividends will not bear interest or be reinvested.

The Supervisory Board then assesses whether the amount calculated is to be reduced due to a Malus Element (see section 3.3). The payment amount so calculated will fall due for payment in the month following the approval of the Company's consolidated financial statements for the last financial year of the performance period. The payment amount is capped at 200% of the target award level.

3.2.3 Executive Board members joining/leaving during a financial year, forfeiture and extraordinary events or developments

In case the term of a service relationship begins or ends during a financial year or in case of an Executive Board member's eligibility for the performance share plan during the Grant Financial Year, the target award level—and thus the number of performance shares allocated—will be reduced on a pro rata temporis basis. The same will apply if there is a period of time in which a performance share plan participant is not entitled to receive remuneration during the Grant Financial Year despite an existing service agreement (e.g., due to the service relationship being temporarily suspended or due to inability to work without there being an entitlement to continued payment of remuneration). If the service relationship terminates by reason of permanent invalidity or death, all allocated performance shares the performance period of which has not yet ended will be paid without undue delay (*unverzüglich*).

All performance shares of a current performance period will be forfeited without replacement or compensation if any of the following cases (referred to as bad leaver cases) applies:

- the service agreement is terminated before the end of the performance period by the Company giving notice of extraordinary termination (*außerordentliche Kündigung*) for cause (*aus wichtigem Grund*) for which the Executive Board member is responsible in accordance with section 626 of the German Civil Code (*Bürgerliches Gesetzbuch—BGB*).

- the Executive Board member's service agreement is terminated before the end of the performance period as a result of the appointment as a member of the Executive Board being revoked by reason of a gross breach of duty.
- the Executive Board member breaches the non-compete covenant applicable during the term of the service relationship before the end of the performance period or—if applicable—any post contractual non-compete covenant agreed.

In case of extraordinary events or developments, Porsche AG may decide, at its reasonable discretion, to make appropriate adjustments to the terms and conditions of the performance share plan. By way of example, extraordinary events or developments may include: an acquisition by any entity of the Porsche AG Group or a disposal of an entity of the Porsche AG Group, or of parts of an entity or equity interests in entities, by any of the Porsche AG Group entities, a merger of Porsche AG with another entity, material changes to the shareholder structure of Porsche AG, capital measures, changes to the legal and/or regulatory framework, significant fluctuations in the price of Porsche AG's preferred share, high levels of inflation, economic consequences of a significant exogenous shock (e.g. war, pandemic or natural disaster) or material changes to accounting and valuation methods.

3.3 Malus and clawback provision with respect to variable remuneration

In the event of relevant misconduct ("**Malus Element**") by the Executive Board member during the performance period relevant to variable remuneration and the IPO Bonus (cf. section 4.1)—with respect to the STI during the relevant financial year, with respect to the performance share plan during the four-year performance period and with respect to the IPO Bonus during the three-year term—the Supervisory Board may reduce the payment amount by up to 100% at its reasonable discretion ("**Malus**"). A Malus Element may result from individual misconduct or organisational fault. If a Malus Element is fulfilled in a year which falls in the performance period of multiple elements of variable remuneration, the Malus may be determined for each of these elements of variable remuneration, i.e., in particular, it is possible for multiple elements of variable remuneration having multi year performance periods to be subject to a Malus based on the same Malus Element.

If a Malus Element that would have resulted in the right to impose a Malus of 100% if it had been known at the outset becomes known or is identified retrospectively, the Company will be entitled to claw back the full gross amount of the payment amount at its reasonable discretion. With respect to the performance share plan, this applies to each performance period in which the year of the Malus Element falls. A clawback is not permissible if more than three years have passed since the element of variable remuneration was paid.

4. Other benefits

4.1 IPO Bonus

In the context of the IPO of Porsche AG, the Supervisory Board resolved to grant the Executive Board members a special bonus (the "IPO Bonus") that is intended to appropriately incentivise the Executive Board members' performance in preparing Porsche AG's IPO and its long-term success.

The IPO Bonus is structured as a virtual share plan having a term of one to three years. On the day of the IPO (29 September 2022), the company allocated to the Executive Board members a number of shares calculated on the basis of the placement price of the Porsche AG preferred share and the closing price of the Porsche AG preferred share on the first day of trading on the stock exchange (see 2022 Remuneration Report, p. 15 et seq., available at <https://investorrelations.porsche.com/en/corporate-governance/>). The number of shares to be allocated was divided into three identical sub-tranches. The first sub-tranche has a term of one year as from the IPO, the second sub-tranche has a term of two years as from the IPO, and the third sub-tranche has a term of three years as from the IPO.

At the end of the relevant term, the payment amount under the sub-tranche is calculated by multiplying the number of shares of the relevant sub-tranche by the arithmetic mean of the closing prices of Porsche AG's preferred share on the last 30 trading days before the end of the term of the relevant sub-tranche and the dividends paid per preferred share of Porsche AG during the term of the relevant sub-tranche. Dividends will not bear interest or be reinvested. The payment amount is therefore calculated in accordance with the following formula:

$$\begin{aligned} & \textit{Payment amount} \\ &= \textit{number of shares of the relevant sub-tranche} \\ &\times (\textit{arithmetic mean of the closing prices of Porsche AG's} \\ &\quad \textit{preferred share + dividends paid per preferred share} \\ &\quad \textit{of Porsche AG during the relevant term}) \end{aligned}$$

The payment amount has a cap and a floor for each sub-tranche:

- if the closing price plus the dividend paid per preferred share of Porsche AG during the relevant term falls below the allocation price by more than 30%, the Executive Board member will receive, for the relevant sub-tranche, a minimum payment amount of 70% of one third of the grant amount.

- if the closing price plus the dividend paid per preferred share of Porsche AG during the relevant term exceeds the allocation price by more than 50%, the Executive Board member will receive, for the relevant sub-tranche, a maximum payment amount of 150% of one third of the grant amount.

The Supervisory Board then assesses whether the calculated amount is to be reduced due to a Malus Element (see section 3.3). The payment amount so calculated will fall due for payment at the end of the month following the month of the relevant anniversary date of the IPO. The payment amount from the IPO Bonus is capped at a maximum amount.

All shares of the relevant sub-tranche will be forfeited without replacement or compensation if any of the following cases (referred to as bad leaver cases) applies within the relevant term:

- the service agreement is terminated before the end of the term by the Company by way of extraordinary termination for cause in accordance with section 626 of the German Civil Code.
- the Company revokes the appointment of the Executive Board member by reason of a gross breach of duty pursuant to section 84 para. 4 of the German Stock Corporation Act.

In case any extraordinary events or developments occur, Porsche AG may decide, at its reasonable discretion, to make appropriate adjustments to the terms and conditions of the share plan. By way of example, extraordinary events or developments may include: an acquisition by any of the Porsche AG Group entities or a disposal of an entity, or of parts of an entity or equity interests in entities, by any of the Porsche AG Group entities, a merger of Porsche AG with another entity, material changes to the shareholder structure of Porsche AG, changes to the legal and/or regulatory framework, significant fluctuations in the price of Porsche AG's preferred share, high levels of inflation, economic consequences of a significant exogenous shock (e.g. pandemic) or material changes to accounting and valuation methods.

4.2 Additional other benefits

The Supervisory Board is entitled to grant new Executive Board members benefits that are temporary or that have been agreed for the entire term of the service agreement. Such benefits may be, for example, payments to compensate for forfeiting variable remuneration at a former employer or other financial disadvantages as well as benefits in connection with material relocation.

In individual cases, the Supervisory Board and Executive Board members may agree a post contractual non compete covenant, the Company committing to pay the relevant Executive Board members compensation for observing such post-contractual non compete covenant (*Karenzentschädigung*) in an amount that is customary in the market.

The Supervisory Board and Executive Board members whose appointments as Executive Board members pursuant to section 84 para. 3 of the German Stock Corporation Act are revoked temporarily, with re-appointment being assured, may agree that such Executive Board members will continue to receive individual elements of remuneration during the interruption of the term of office.

II. Maximum remuneration

The total remuneration of the Executive Board members in a financial year is capped in absolute terms ("**Maximum Remuneration**"). The total remuneration in this sense generally includes the base remuneration paid for the relevant financial year, the fringe benefits granted for the relevant financial year, the costs for the Company's pension scheme ("Service Costs") for the relevant financial year, the STI granted for the relevant financial year and paid in the following year, the payment in the relevant financial year under a performance share plan whose performance period ended immediately before the relevant financial year as well as any special payment granted for the relevant financial year.

If the Supervisory Board grants new Executive Board members benefits that are temporary or that have been agreed for the entire term of the service agreement pursuant to section I.4, such benefits will also be taken into account in the Maximum Remuneration in the financial year for which they are granted. The payment amount of the relevant sub-tranche of the IPO will be taken into account in the Maximum Remuneration in the relevant year it is paid.

The Maximum Remuneration is €5,000,000 gross per financial year for Executive Board members, €6,000,000 per financial year for Executive Board members with special tasks and €10,000,000 gross per financial year for the chairperson of the Executive Board, based on a scope of activities of 100%. If the calculation of the total remuneration results in an amount that exceeds the Maximum Remuneration, the payment amount from the STI will be reduced. If reducing the STI is insufficient to comply with the Maximum Remuneration, the Supervisory Board may, at its dutiful discretion, reduce other elements of remuneration or demand repayment of remuneration that has already been paid.

Regardless of the Maximum Remuneration, the payment amounts from the STI, the LTI and the IPO Bonus are each capped.

III. Remuneration-related agreements

1. Terms of remuneration-related agreements

1.1 Terms of service agreements

The service agreements of the Executive Board members are effective for the duration of their appointments as Executive Board members. In the case of a first-time appointment, the Supervisory Board will determine the duration of the appointment in a manner appropriate to the relevant individual case and bearing in mind the Company's best interests.

1.2 Tie in clause

If the appointment as an Executive Board member is revoked for good cause that is not at the same time a good cause pursuant to section 626 para. 1 of the German Civil Code or if the Executive Board member resigns without cause pursuant to section 626 para. 1 of the German Civil Code, the service agreement will end after the expiry of a 12-month period, unless it ends at an earlier point in time due to expiry of its initial term. The same applies in the event of termination by mutual agreement, unless the parties agree otherwise. If the appointment of an Executive Board member ends early, the Company is entitled to release the relevant member until the end of the service agreement, taking into account any other income.

2. Compensation for dismissal from office

If the appointment is revoked, the Executive Board member will—except where there is good cause entitling the Company to terminate the service agreement extraordinarily or where the appointment is revoked due to a gross breach of duty—receive a severance payment in the amount of the gross remuneration for the remaining term of the service agreement in a maximum amount of two gross annual incomes. If a post contractual non compete covenant is agreed, the severance payment will be set off against the compensation received for observing the post-contractual non-compete covenant.

IV. Taking into account employees' remuneration and employment terms and conditions when determining the remuneration system

The Supervisory Board also takes into account the employment conditions of the employees of Porsche AG when determining the remuneration system and the specific amount of the remuneration. As part of its regular review of the appropriateness of the remuneration of the Executive Board members, the Supervisory Board assesses, in particular, whether any changes in the ratio of the remuneration of Porsche AG's Executive Board members and the remuneration of its upper management and of its workforce as a whole require adjustments to the remuneration of the Executive Board members. In doing so, the Supervisory Board also takes into account how the remuneration of the groups described has changed over time.

V. Procedures for determining, implementing and reviewing the remuneration system

The Supervisory Board will resolve on a clear and understandable system to remunerate the Executive Board members. The Executive Committee (*Präsidium*) is responsible for preparing the resolution of the Supervisory Board on the remuneration system and the regular review of the remuneration system. To this end, the executive committee will prepare a report and a resolution proposal. The Supervisory Board will review the remuneration system at its dutiful discretion, but at least every four years. In this regard, the Supervisory Board will carry out a market comparison and, in particular, takes into account changes to the business environment, the overall economic situation and strategy of the Company, changes to and trends in national and international corporate governance standards as well as the developments of the employees' remuneration and employment conditions pursuant to section B.IV. The Supervisory Board will retain external remuneration experts, if required. The Supervisory Board will ensure that these external remuneration experts are independent of the Executive Board and of the Company and will take precautions to avoid conflicts of interest.

The Supervisory Board will submit the remuneration system resolved by it to the General Meeting for approval in the event of any material amendment, but at least every four years. If the General Meeting does not approve the system submitted to it, the Supervisory Board will submit a revised remuneration system to the General Meeting for approval no later than at the next Annual General Meeting.

The Supervisory Board and the Executive Committee will take appropriate measures to ensure that potential conflicts of interest of the Supervisory Board members involved in the discussions and decisions on the remuneration system are avoided and, if necessary, resolved. Every Supervisory Board member is obliged to disclose conflicts of interest to the Chairperson of the Supervisory Board. The Chairperson of the Supervisory Board will disclose any conflicts of interest concerning him or her to his or her Deputy. Decisions on how to deal with an existing conflict of interest will be made on a case-by-case basis. It is, in particular, possible that the Supervisory Board member who has a conflict of interest does not attend a meeting or take part in individual discussions and decisions of the Supervisory Board or the Executive Committee.

The Supervisory Board may temporarily deviate from the remuneration system (procedures and provisions on the remuneration structure) and its individual elements as well as from the terms and conditions of individual elements of remuneration or introduce new elements of remuneration if this is necessary in the interest of the long-term well-being of Porsche AG. The Supervisory Board reserves the right to make such deviations in particular in extraordinary circumstances such as an economic or corporate crisis. In the event of an economic crisis, the Supervisory Board may deviate in particular from the plan terms and conditions of the annual bonus and/or the performance share plan.