

Remuneration Report

Remuneration of Management Board Members

The remuneration structure is aligned to sustained corporate development. The monetary remuneration components include fixed and variable components based on the Hönle Group's performance.

The criteria used in evaluating the suitability of remuneration are as follows: The tasks of the respective Management Board member, personal performance, the economic situation, earnings, and future outlook of the company, standard practice in the industry and the company's general remuneration structure. The Supervisory Board regularly reviews the structure and amount of the remuneration for Management Board members.

The company reports pension commitments concerning the Management Board members, Mr. Haimerl and Mr. Runge. Within the context of the conversion of pension commitments for Management Board members, annual pension modules have been acquired starting from

1 January 2012. The amount of a pension module acquired in a given financial year is derived from the pension expenses that are converted into pension instalments using age-dependent conversion factors. The pension expenses correspond to a fixed percentage rate of the annual fixed remuneration (excluding profit sharing bonus). The designated benefit types are: old age pension (from the age of 60), and disability pension and survivors' pension (for widows, widowers, partners and orphans). The amount of the disability and old age pensions corresponds to the total of vested rights components and the pension components acquired up to the time when a pension becomes due. The widow's/widower's and partner's pension corresponds to 60 % of the disability or old age pension entitlement at the time of death or which was paid out at the time of death. The orphan's pension amounts to 12 % of the mentioned pension entitlement for half-orphans and 20 % for orphans. Employers' pension liability insurances were concluded with a view to covering the pension commitments.

Fixed Remuneration (not based on performance)

in T€	S a l a r y		O t h e r R e m u n e r a t i o n		T o t a l	
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
Norbert Haimerl	225	212	25	23	250	235
Heiko Runge	224	211	15	15	239	226
Total	449	423	40	38	489	461

Performance-Based Remuneration

in T€	P r o f i t S h a r i n g		B o n u s e s	
	2014/2015		2013/2014	
Norbert Haimerl	300		195	
Heiko Runge	300		195	
Total	600		390	

Pensions

in T€	Pension Expenses pursuant to IAS 19	
	2014/2015	2013/2014
Norbert Haimerl	205	206
Heiko Runge	177	178
Total	382	384

Pensions

in T€	Present Value of Defined Benefit Obligations	
	As at 30/09/2015	As at 30/09/2014
Norbert Haimerl	1,171	1,028
Heiko Runge	1,059	940
Total	2,230	1,968

In addition, benefits amounting to T€ 12 (PY: T€ 12) were paid to surviving dependents of former Management Board members.

Benefits upon Termination of Management Board Activity

The Supervisory Board appoints the Dr. Hönle AG Management Board for a maximum term of office of five years.

An agreement governing a transitional allowance was concluded with the company's Management Board. In accordance with this agreement, Management Board members who resign from office **at** the end of their 50th year of age and before the end of their 60th year of age, continue to receive payment of the fixed remuneration for 12 months as defined in their employment contracts. After the 12-month period, between 40 % and up to a maximum of 50 % of the fixed remuneration is paid until the pension commitment for Management Board members enters into effect. However, the agreement concerning the transitional allowance only enters into effect provided that the respective Management Board member has been a member of the company's

Management Board for at least ten years and if she/he is not personally responsible for the termination of employment. Other income is to be counted against the transitional allowance and can reduce or completely set off the allowance. In addition, the Supervisory Board is authorised to reduce the transitional allowance if the company's economic position deteriorates. In the event that benefits were received erroneously or if the Supervisory Board reduced the benefits subsequently, the benefits granted must be repaid to the company.

In the event of a change of control at Dr. Hönle AG, Management Board members are entitled to terminate their Board of Management Service Agreement within a period of three months after obtaining knowledge of the change of control with a three-month notice period as at the end of a respective month-end, and to resign from office at that time. A change of control is defined as any direct or indirect assumption of control over Dr. Hönle AG by a third party within the meaning of the German Securities Purchase and Takeover Act (WpÜG). In the event of resignation, the respective Management Board member

is entitled to a severance payment in the amount of two annual gross salaries (including performance-based compensation), up to a maximum of T€ 400. Calculation of the annual gross salary is based on the average gross salary for the past three financial years prior to leaving the company.

Compensation of Supervisory Board

Members

The compensation is comprised exclusively of fixed compensation, which is based on the respective tasks and responsibilities of the Supervisory Board members. No further compensation, e.g. for consulting or intermediary services, is granted.

Compensation of Supervisory Board Members

in T€	T o t a l	
	2014/2015	2013/2014
Prof. Dr. Karl Hönle	43	24
Günther Henrich (since 20 March 2015)	21	0
Dr. Bernhard Gimple (since 20 March 2015)	14	0
Dr. Hans-Joachim Vits (until 20 March 2015)	24	32
Eckhard Pergande (until 20 March 2015)	12	16
Total	114	72