



Convocation of the Annual General Meeting of KSB SE & Co. KGaA

on 8. May 2024

ISIN (ordinary shares): DE0006292006
(German securities identification code: 629200)

ISIN (preference shares): DE0006292030
(German securities identification code: 629203)

Five-year Financial Summary

Business Development and Earnings

		2023	2022	2021	2020	2019
Order intake	€ m	2,959.5	2,862.1	2,411.7	2,143.4	2,453.8
Sales revenue	€ m	2,819.0	2,573.4	2,343.6	2,207.9	2,383.2
Orders on hand	€ m	1,548.1	1,497.8	1,366.2	1,288.5	1,409.3
Earnings before finance income / expense, income tax, depreciation and amortisation (EBITDA)	€ m	312.0	259.5	222.1	170.1	195.5
Earnings before finance income / expense and income tax (EBIT)	€ m	223.9	169.1	141.2	70.2	113.6
Earnings before income tax (EBT)	€ m	209.0	160.7	139.9	61.6	103.4
Earnings after income tax	€ m	176.6	127.3	110.3	4.4	58.5
Free cash flow (cash flows from operating activities + cash flows from investing activities)	€ m	176.8	-86.9	87.5	111.6	70.9

Balance Sheet

		2023	2022	2021	2020	2019
Balance sheet total	€ m	2,669.8	2,478.9	2,314.4	2,140.0	2,327.0
Investments	€ m	135.6	121.6	103.6	97.6	107.0
Depreciation and amortisation	€ m	88.1	90.4	80.9	99.9	81.9
Net financial position	€ m	324.9	225.6	365.6	304.8	246.3
Equity (incl. non-controlling interests)	€ m	1,216.9	1,125.6	869.1	703.8	862.6
Equity ratio (incl. non-controlling interests)	%	45.6	45.4	37.6	32.9	37.1

Profitability

		2023	2022	2021	2020	2019
EBT margin (sales revenue in relation to EBT)	%	7.4	6.2	6.0	2.8	4.3
EBIT margin (sales revenue in relation to EBIT)	%	7.9	6.6	6.0	3.2	4.8

Employees

		2023	2022	2021	2020	2019
Number of employees at 31 Dec.		16,038	15,693	15,412	15,076	15,645

Shares

		2023	2022	2021	2020	2019
Market capitalisation at 31 Dec.	€ m	1,092.9	644.3	727.8	441.9	536.1
Earnings per ordinary share (EPS)	€	86.83	59.05	53.34	-5.63	24.47
Earnings per preference share (EPS)	€	87.09	59.31	53.60	-5.37	24.73
Dividend per ordinary no-par-value share	€	26.00	19.50	12.00	4.00	8.50
Dividend per preference no-par-value share	€	26.26	19.76	12.26	4.26	8.76

KSB SE & Co. KGaA
Frankenthal (Pfalz)

Dear Shareholders,

You are invited to the

**Annual General Meeting
of KSB SE & Co. KGaA
to be held at 10:00 on Wednesday, 8 May 2024
(CEST, corresponds to 8:00 UTC),**

in

CongressForum Frankenthal,
Stephan-Cosacchi-Platz 5,
67227 Frankenthal (Pfalz)
Germany.

Agenda

1. Presentation of the approved annual financial statements, the approved consolidated financial statements, the summarised management report for KSB SE & Co. KGaA and the Group, the explanatory report on the information required pursuant to sections 289a, 315a German Commercial Code as well as the report of the Supervisory Board for the 2023 financial year; resolution on adopting the annual financial statements of KSB SE & Co. KGaA for the 2023 financial year
2. Resolution on the appropriation of the balance sheet profit for the 2023 financial year

The said documents have been published on the internet at www.ksb.com/agm. They will also be available at the Annual General Meeting, where they will be explained in greater detail by the Managing Directors of the General Partner and – insofar as the Supervisory Board’s report is concerned – by the Chair of the Supervisory Board.

The Supervisory Board has approved the annual financial statements and the consolidated financial statements prepared by the General Partner, KSB Management SE. Pursuant to section 286(1) German Stock Corporation Act, the general meeting takes the resolution to adopt the annual financial statements; this resolution requires the General Partner’s consent.

In all other respects, the documents specified above must be made available to the Annual General Meeting without a further resolution being required.

The General Partner and the Supervisory Board propose that KSB SE & Co. KGaA’s annual financial statements for the 2023 financial year, showing a balance sheet profit of EUR 88,641,634.78, be adopted in the version presented.

The General Partner and the Supervisory Board propose that the balance sheet profit for the 2023 financial year in the amount of EUR 88,641,634.78 be appropriated as follows:

	EUR
Payment of a dividend of EUR 26.00 per no-par value ordinary share carrying dividend rights	23,051,990.00
Payment of a dividend of EUR 26.26 per no-par value preference share carrying dividend rights	22,707,337.12
Appropriation to revenue reserves	0,00
Profit carried forward	42,882,307.66
Balance sheet profit	88,641,634.78

The proposal regarding the appropriation of the balance sheet profit is based on the no-par value shares carrying dividend rights in existence on the date on which the annual financial statements for the completed 2023 financial year were prepared by the General Partner. Should their number change before the Annual General Meeting, a suitably amended resolution proposal which contains an unchanged dividend of EUR 26.00 per no-par value ordinary share carrying dividend rights for the completed 2023 financial year and of EUR 26.26 per no-par value preference share carrying dividend rights for the completed 2023 financial year will be put to the vote at the Annual General Meeting. In such a case, the amount attributable to no-par value shares not carrying dividend rights for the 2023 financial year will be carried forward.

According to section 58(4) sentence 2 German Stock Corporation Act, the claim to the dividend is due on the third business day following the resolution by the Annual General Meeting.

3. Resolution on the ratification of the actions of the General Partner of KSB SE & Co. KGaA for the 2023 financial year

The General Partner and the Supervisory Board propose that the actions of KSB SE & Co. KGaA's General Partner be ratified for the 2023 financial year.

4. Resolution on the ratification of the actions of the Supervisory Board of KSB SE & Co. KGaA for the 2023 financial year

The General Partner and the Supervisory Board propose that the actions of the members of KSB SE & Co. KGaA's Supervisory Board in office in the 2023 financial year be ratified for this period.

5. Resolution on the appointment of the auditor of the annual financial statements and the auditor of the consolidated financial statements for the 2024 financial year

The Supervisory Board proposes, based on a corresponding recommendation by its Audit Committee, that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Mannheim office, be appointed as auditor of the annual financial statements and as auditor of the consolidated financial statements for the 2024 financial year.

The Audit Committee has declared that its recommendation is free from improper influence by third parties and no contractual clause restricting choice within the meaning of Article 16(6) of the EU Audit Regulation (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC) was imposed on it.

6. Resolution on the remuneration of the Supervisory Board members

Pursuant to section 113(3) German Stock Corporation Act, the general meeting of a listed company must resolve on the remuneration and the remuner-

ation system for the supervisory board members at least every four years. The Annual General Meeting of KSB SE & Co. KGaA last resolved on the remuneration of the Supervisory Board members on 6 May 2021.

The remuneration of the members of the Supervisory Board is laid down in section 14 of the Articles of Association of KSB SE & Co. KGaA and, in addition, by a resolution of the Annual General Meeting of KSB SE & Co. KGaA (still operating as KSB Aktiengesellschaft at the time) of 16 May 2012 on then agenda item 7. Section 14 of the Articles of Association of KSB SE & Co. KGaA reads:

“Section 14

(1) The members of the Supervisory Board shall receive a fixed remuneration of EUR 30,000.00 for the financial year. The Chair shall receive double the amount, the Deputy Chair one and a half times the amount. In addition, the members of the Supervisory Board shall receive an attendance fee of EUR 2,000.00 per meeting of the Supervisory Board and its committees they attend; the attendance fee for persons chairing committee meetings shall be EUR 3,000.00 for each committee meeting. Furthermore, the members of the Supervisory Board shall be covered by directors' and officers' (D&O) liability insurance taken out by the Company at usual market conditions in favour of the members of the Supervisory Board if and to the extent that such insurance policy is in place; any premiums shall be paid by the Company. Any additional remuneration is reserved for determination by the Annual General Meeting.

(2) The members of the Supervisory Board shall be reimbursed for their expenses including the input tax deductible turnover tax applicable to the Supervisory Board's remuneration. Members of the Supervisory Board who only served on the Supervisory Board for part of the financial year shall be remunerated on a pro-rata-temporis basis.”

The resolution of the Annual General Meeting of 16 May 2012 on then agenda item 7 reads:

“The members of the Supervisory Board receive, as additional remuneration pursuant to section 14(1), sentence 6 of the Articles of Association, remuneration for activities which demand of them a particular time commitment within the scope of the tasks of the Supervisory Board which goes beyond the preparation and conduct of the meetings of the Supervisory Board and its committees. (The time needed for preparation and conduct of the meetings of the Supervisory Board and its committees will be set at a flat rate of five hours per meeting for each participating member of the Supervisory Board, in the case of the respective Chairs of the meeting at ten hours per meeting, in the case of plenary sessions of the Supervisory Board at seven and a half hours per meeting for the Deputy Chair of the Supervisory Board.) For each additional working hour, the respective Supervisory Board member will receive an amount of EUR 250.00 against presentation of a corresponding timesheet. The maximum amount of the additional remuneration for all Supervisory Board members is EUR 900,000.00 per calendar year in total. Should the additional remuneration for the total proven working hours per year of the members of the Supervisory Board arithmetically exceed the annual maximum amount, the claims of the individual Supervisory Board members will be reduced proportionately. This provision will apply for the first time as of 1 June 2012; for the period from 1 June 2012 to 31 December 2012, the maximum amount is EUR 525,000.00.”

After a detailed review, the General Partner and the Supervisory Board have come to the conclusion that the fixed remuneration, the attendance fee and the additional remuneration of the members of the Supervisory Board shall be moderately increased with retroactive effect as of 1 January 2024 based on, in particular, the ever-increasing demands and the accompanying increasing workload as well as on loss of purchasing power due to inflation. The remuneration system for the members of the Supervisory Board printed as an annex to this agenda item 6 following the agenda will also be approved upon

the consent to the increase of the fixed remuneration and the attendance fee of the members of the Supervisory Board (under 6.1) and to the increase of the additional remuneration of the members of the Supervisory Board (under 6.2).

6.1 Adjustment of the fixed remuneration and the attendance fee

With effect as of 1 January 2024, the members of the Supervisory Board shall receive a fixed remuneration of EUR 36,000 for the financial year, instead of the previous amount of EUR 30,000. The Chair of the Supervisory Board shall continue to receive double the amount, the Deputy Chair one and a half times the amount. In addition, with effect as of 1 January 2024, the members of the Supervisory Board shall receive an attendance fee of EUR 2,400 per meeting of the Supervisory Board and its committees they attend, instead of the previous amount of EUR 2,000; the attendance fee for persons chairing committee meetings shall be EUR 4,800 for each committee meeting, instead of the previous amount of EUR 3,000.

The General Partner and the Supervisory Board therefore propose to the Annual General Meeting that it adopt the following resolution:

- a) Section 14(1) sentence 1 to sentence 3 of the Articles of Association of KSB SE & Co. KGaA will be (while maintaining section 14(1) sentence 4 and sentence 5 of the Articles of Association unchanged) reworded as follows:

“The members of the Supervisory Board shall receive a fixed remuneration of EUR 36,000.00 for the financial year. The Chair shall receive double the amount, the Deputy Chair one and a half times the amount. In addition, the members of the Supervisory Board shall receive an attendance fee of EUR 2,400.00 per meeting of the Supervisory Board and its committees they attend; the attendance fee for persons chairing committee meetings shall be EUR 4,800.00 for each committee meeting.”

b) The fixed remuneration and the attendance fee of the members of the Supervisory Board (including the Chair and the Deputy Chair of the Supervisory Board and the persons chairing committee meetings) will be determined with retroactive effect as of the 2024 financial year in accordance with the amended version of section 14(1) of the Articles of Association proposed under lit. a) of this agenda item 6.1.

6.2 Adjustment of the additional remuneration

Based on the above reproduced resolution of the Annual General Meeting of 16 May 2012 on then agenda item 7, the members of the Supervisory Board will receive additional remuneration if they perform activities which demand of them, in the Company's interest, a particular time commitment within the scope of the tasks of the Supervisory Board. The claim to additional remuneration arises if the time actually spent on Supervisory Board activities exceeds the presumed time required for the preparation and conduct of the meetings of the Supervisory Board and its committees that has already been remunerated in accordance with the existing provision in the Articles of Association on the attendance fee. With effect as of 1 January 2024, remuneration according to time spent will be calculated based on an hourly rate of EUR 300, instead of the previous rate of EUR 250. All in all, the maximum amount of hourly-based additional remuneration received by the Supervisory Board shall continue to be EUR 900,000.00 per year in total. Should the additional remuneration for the total proven working hours per year of the members of the Supervisory Board arithmetically exceed the annual total amount, the claims of the individual Supervisory Board members will furthermore be reduced proportionately.

The General Partner and the Supervisory Board therefore propose to the Annual General Meeting that it adopt the following resolution:

"The members of the Supervisory Board receive, as additional remuneration pursuant to section 14(1) sentence 5 of the Articles of Association, remuneration for activities which demand of them a particular time commitment within the scope of the tasks of the Supervisory Board which goes beyond the preparation and conduct of the meetings of the Supervisory Board and its committees. (The time needed for preparation and conduct of the meetings of the Supervisory Board and its committees will be set at a flat rate of five hours per meeting for each participating member of the Supervisory Board, in the case of the respective Chairs of the meeting at ten hours per meeting, in the case of plenary sessions of the Supervisory Board at seven and a half hours per meeting for the Deputy Chair of the Supervisory Board.) For each additional working hour, the respective Supervisory Board member will receive an amount of EUR 300.00 against presentation of a corresponding timesheet. The maximum amount of the additional remuneration for all Supervisory Board members is EUR 900,000.00 per calendar year in total. Should the additional remuneration for the total proven working hours per year of the members of the Supervisory Board arithmetically exceed the annual maximum amount, the claims of the individual Supervisory Board members will be reduced proportionately. With retroactive effect as of 1 January 2024, this provision shall replace the resolution on additional remuneration of the members of the Supervisory Board adopted by the Annual General Meeting of 16 May 2012 regarding then agenda item 7."

7. Resolution on the approval of the remuneration report for the 2023 financial year

A stock corporation shall, pursuant to section 162 German Stock Corporation Act, each year prepare a remuneration report on the remuneration of the executive and supervisory board members that must comply with specific requirements. As a partnership limited by shares (Kommanditgesellschaft auf Aktien, "KGaA"), KSB SE & Co. KGaA does not have any executive board members. The business of the Company is conducted by its General Partner, KSB Management SE, which is represented by its Managing Directors. The Administrative Board of KSB Management SE, and not the Supervisory Board of KSB SE & Co. KGaA, is responsible for the remuneration of the Managing Directors of the General Partner. Against this background, section 162 German Stock Corporation Act only applies to KSB SE & Co. KGaA to a limited extent.

The auditor must verify that the remuneration report within the meaning of section 162 German Stock Corporation Act includes the information required by law and must issue an audit certificate on this. The remuneration report verified by the auditor in this manner must be submitted to the general meeting for approval. The decision of the general meeting on the approval of the remuneration report shall be understood as a recommendation. The remuneration report for the current financial year must explain how the resolution of the general meeting on the approval of the remuneration report for the previous financial year was taken into account.

Against this background, the General Partner and the Supervisory Board propose to approve the remuneration report for the 2023 financial year attached to the agenda together with the audit certificate as an annex to this agenda item 7 following the remuneration system for the members of the Supervisory Board.

8. Resolution on adapting the Articles of Association based on the Future Financing Act

As a result of the Future Financing Act, with effect from 15 December 2023 an editorial change was made to, among others, section 123(4) sentence 2 German Stock Corporation Act with the effect that the evidence of the shareholding required for the right to attend the general meeting and to exercise voting rights shall no longer relate to the "beginning of the 21st day prior to the general meeting", but instead to the "close of business on the 22nd day prior to the general meeting". The purpose of this editorial change was to align the German Stock Corporation Act with the definition of the record date in European Commission Implementing Regulation (EU) 2018/1212. This editorial change shall be incorporated accordingly into the wording of the Articles of Association of KSB SE & Co. KGaA. Against this background, the General Partner and the Supervisory Board propose that section 16(3) sentence 2 of the Articles of Association of the Company be reworded as follows:

"The certificate of share ownership shall relate to the close of business on the 22nd day before the Annual General Meeting and shall reach the Company at the address given for this purpose in the notice convening the Meeting no later than six days before the Meeting either in text form or by transmission through intermediaries under the requirements of section 67c(3) German Stock Corporation Act in conjunction with Article 5 of Implementing Regulation (EU) 2018/1212."

9. Resolution on the consent to a domination and profit and loss transfer agreement between KSB SE & Co. KGaA and KSB Finanz GmbH

On 12 February 2024, KSB SE & Co. KGaA as controlling company concluded a domination and profit and loss transfer agreement with KSB Finanz GmbH as dependent company. KSB SE & Co. KGaA has a direct 100% share in KSB Finanz GmbH.

The domination and profit and loss transfer agreement serves to ensure unified business management of KSB Finanz GmbH and the establishment of an affiliation within the meaning of sections 14, 17 German Corporation Tax Act between KSB Finanz GmbH and KSB SE & Co. KGaA as controlling company. Since KSB SE & Co. KGaA holds all the shares in KSB Finanz GmbH, the domination and profit and loss transfer agreement does not need to provide for either compensation or consideration payments for external shareholders. The domination and profit and loss transfer agreement has the following main content:

- KSB Finanz GmbH places its management under the control of KSB SE & Co. KGaA as controlling company. KSB SE & Co. KGaA is accordingly entitled to give instructions to the management of KSB Finanz GmbH with respect to how the latter is managed.
- KSB Finanz GmbH undertakes to give KSB SE & Co. KGaA at all times all desired information about all legal, business and organisational matters of KSB Finanz GmbH as well as to allow it to inspect books and documents.
- KSB Finanz GmbH undertakes, in accordance with the provisions set out in the agreement, to transfer its entire profit calculated in accordance with commercial law pursuant to section 301 German Stock Corporation Act (as amended from time to time) to KSB SE & Co. KGaA.
- By analogous application of section 302 German Stock Corporation Act (as amended from time to time), KSB SE & Co. KGaA, as controlling company, is obliged to compensate KSB Finanz GmbH for losses.
- With the exception of the provisions on domination, the domination and profit and loss transfer agreement applies with effect as of the beginning of the financial year of KSB Finanz GmbH in which the agreement is entered into the commercial register for KSB Finanz GmbH. Therefore, the domination and profit and loss transfer agreement is in this regard (with respect to the profit transfer/assumption of losses) expected to apply as of 1 January 2024. The provisions on domination apply as of the time at which the domination and profit and loss transfer agreement takes effect.
- The domination and profit and loss transfer agreement is concluded for an indefinite term. It may be terminated for the first time at the end of the financial year of KSB Finanz GmbH that ends, at the earliest, five years after the beginning of the financial year of KSB Finanz GmbH in which the domination and profit and loss transfer agreement was entered into the commercial register for the dependent company. After that, the domination and profit and loss transfer agreement may be terminated by either contracting partner on six months' notice, effective at the end of any financial year of KSB Finanz GmbH.

- The right to terminate without notice for cause shall remain unaffected. Cause is given in particular if KSB SE & Co. KGaA loses the majority of the voting rights from its participation in KSB Finanz GmbH or its status as sole shareholder of the dependent company, in the event of a merger, spin-off or liquidation of one contracting partner or if one of the cases set forth in R 14.5(6) German Corporation Tax Guidelines 2015 or a provision following these guidelines is present.

The General Partner of KSB SE & Co. KGaA has, together with the management of KSB Finanz GmbH, drawn up a detailed joint report pursuant to section 293a German Stock Corporation Act setting out the legal and economic reasons for entering into the domination and profit and loss transfer agreement and explaining the agreement itself. In accordance with section 293f German Stock Corporation Act, this joint report will be published on the internet at www.ksb.com/agm together with the wording of the domination and profit and loss transfer agreement, and the other relevant documents to be made available, from the date on which the Annual General Meeting is convened. All documents to be made available will also be made available during the Company's Annual General Meeting.

The shareholder's meeting of KSB Finanz GmbH has already given its consent for the conclusion of the domination and profit and loss transfer agreement. The agreement will only enter into force once the Annual General Meeting of KSB SE & Co. KGaA has given its consent, and only once its existence has been entered in the commercial register for KSB Finanz GmbH.

The General Partner and the Supervisory Board therefore propose that the domination and profit and loss transfer agreement of 12 February 2024 between KSB SE & Co. KGaA and KSB Finanz GmbH be consented to.

Annex to agenda item 6 – Remuneration system for the members of the Supervisory Board

I. Contribution of remuneration to promotion of business strategy and long-term development of KSB SE & Co. KGaA

The Supervisory Board remuneration takes into account, both in terms of structure and amount, the requirements of the office of a member of the Supervisory Board of KSB SE & Co. KGaA, in particular the time involved as well as the responsibility associated with it. The amount of the remuneration – also in comparison to the remuneration of the members of the Supervisory Boards of comparable listed companies in Germany – is commensurate with the tasks of the members of the Supervisory Board and the situation of KSB SE & Co. KGaA. The remuneration makes it possible to recruit suitable and qualified candidates for the office of Supervisory Board member. As such, the Supervisory Board remuneration contributes to the Supervisory Board as a whole being able to properly and competently perform its duties of monitoring and advising the General Partner. Together with the General Partner, the Supervisory Board thereby promotes the business strategy as well as the long-term development of KSB SE & Co. KGaA.

II. Remuneration components

The fixed remuneration of the Supervisory Board members is EUR 72,000 for the Chair of the Supervisory Board, EUR 54,000 for the Deputy Chair of the Supervisory Board and EUR 36,000 for every other member of the Supervisory Board. Members of the Supervisory Board who only served on the Supervisory Board for part of the financial year shall be remunerated on a pro-rata-temporis basis.

In addition, the members of the Supervisory Board shall receive an attendance fee of EUR 2,400 per meeting of the Supervisory Board and its committees they attend; the attendance fee for persons chairing committee meetings shall be EUR 4,800 for each committee meeting. Furthermore, the members of the Supervisory Board shall be covered by directors' and officers' (D&O) liability insurance maintained by the Company in favour of the members of the Supervisory Board if and to the extent that such insurance policy is in place. KSB SE & Co. KGaA will reimburse any VAT payable on the remuneration.

Additionally, the members of the Supervisory Board receive remuneration for activities which demand of them a particular time commitment within the scope of the tasks of the Supervisory Board which goes beyond the preparation and conduct of the meetings of the Supervisory Board and its committees. The time needed for preparation and conduct of the meetings of the Supervisory Board and its committees will be set at a flat rate of five hours per meeting for each participating member of the Supervisory Board, in the case of the respective Chairs of the meeting at ten hours per meeting, in the case of plenary sessions of the Supervisory Board at seven and a half hours per meeting for the Deputy Chair of the Supervisory Board.

For each additional working hour, the respective Supervisory Board member will receive EUR 300 against presentation of a corresponding timesheet. The maximum amount of the additional remuneration for all Supervisory Board members is EUR 900,000 per year in total. Should the additional remuneration for the total proven working hours per year of the members of the Supervisory Board arithmetically exceed the annual maximum amount, the claims of the individual Supervisory Board members will be reduced proportionately.

III. Procedures for establishing, implementing and reviewing the remuneration system

The Annual General Meeting determines the Supervisory Board remuneration in the Articles of Association and/or by resolution on the recommendation of the General Partner and the Supervisory Board. The Supervisory Board remuneration is currently laid down in section 14 of the Articles of Association of KSB SE & Co. KGaA and, in addition, by the resolution of the Annual General Meeting of 8 May 2024 on agenda item 6.2.

Pursuant to section 113(3) German Stock Corporation Act, the Annual General Meeting resolves on the Supervisory Board remuneration at least every four years. In this regard, a resolution that confirms the existing remuneration is also permissible. In preparation for the resolution of the Annual General Meeting, the General Partner and the Supervisory Board each review whether the Supervisory Board remuneration, in particular the amount of the remuneration and design of the remuneration system, continues to be in the interest of KSB SE & Co. KGaA and is appropriate. If necessary, the General Partner and the Supervisory Board propose to the Annual General Meeting that the remuneration be adjusted appropriately.

Annex to agenda item 7 – remuneration report for the 2023 financial year

KSB SE & Co. KGaA – Remuneration report 2023

KSB Management SE, as General Partner of KSB SE & Co. KGaA (“KSB”), and the Supervisory Board of KSB have, for the 2023 financial year, prepared a remuneration report pursuant to section 162 of the German Stock Corporation Act (**Aktiengesetz**). This report describes the basic features of the remuneration system for the members of the Supervisory Board and the individualised and itemised (**according to components**) remuneration of such members. In addition, we explain why KSB is of the opinion that it is not obliged to disclose the remuneration of the General Partner and the members of its corporate bodies and why the report only contains information on the remuneration granted in the 2023 financial year to former executive board members of then KSB Aktiengesellschaft (“KSB AG”).

Pursuant to section 120a(4) German Stock Corporation Act, the general meeting resolves on the approval of the remuneration report for the previous financial year. In connection with the resolutions adopted on 4 May 2023, the Annual General Meeting approved the remuneration report with 96.03% of the votes cast. Against this background, there was no reason to adjust the remuneration system or the manner of the reporting.

A. Remuneration of the general partner and the members of its corporate bodies

The basic features of the remuneration system of the General Partner and the Managing Directors are described from a transparency standpoint under D. However, for the following legal reasons KSB does not consider it necessary to provide information on the individual remuneration of the General Partner and the members of its corporate bodies – i.e. of the Managing Directors and the members of the Administrative Board. In view of constantly increasing reporting obligations, there is also no reason at the moment to go beyond the statutory requirements in this regard.

- The General Partner, its Managing Directors and the members of the Administrative Board are not executive board or supervisory board members and, consequently, are not covered by the wording of section 162 German Stock Corporation Act. Such coverage would require either an explicit instruction by the legislator, or the prerequisites for analogous application of section 162 German Stock Corporation Act would have to be met. Section 283 German Stock Corporation Act, which specifies the provisions in the Act that apply to the General Partner, does not make reference to section 162 German Stock Corporation Act.
- KSB is of the opinion that an obligation to provide individualised information on the remuneration of the General Partner and of the members of its corporate bodies does not fit in with the rule framework of a partnership limited by shares (Kommanditgesellschaft auf Aktien, “KGaA”). The obligation to prepare the remuneration report is intended for the “executive board and supervisory board” of the listed company, i.e. for their bodies. However, the Managing Directors and the members of the Administrative Board of the General Partner are **not members of the corporate bodies of the KGaA**. In addition, the supervisory board of a partnership limited by shares does **neither have the personnel competence nor the authority to decide on remuneration-related matters** with respect to the General Partner and the members of its corporate bodies.
- Moreover, the following must be noted with respect to KSB:
 - KSB does not hold any shares in its General Partner, KSB Management SE. Instead, all of the shares in KSB Management SE are held by Klein, Schanzlin & Becker GmbH, whose shares, in turn, are held by KSB Stiftung and Kühborth Stiftung GmbH. **KSB is therefore not structured as a “unified KGaA”** (Einheits-KGaA) with the partnership holding all the shares in its General Partner. Thus, KSB, does also not influence the determination of the remuneration of the members of the corporate bodies of the General Partner as a shareholder of the General Partner (indirectly) through the shareholders’ meeting of the General Partner.

- At the level of KSB, **no additional body** (e.g. a “shareholders’ committee”) has been set up, either, the members of which are elected by the Annual General Meeting of KSB and which has the personnel competence and the authority to decide on remuneration-related matters with respect to the members of the management body of the General Partner. Nor does KSB have any influence in this regard on the determination of the remuneration of the members of corporate bodies of the General Partner.
 - According to the legislative intent, the remuneration report pursuant to section 162 German Stock Corporation Act is supposed to make it possible for the shareholders to review whether the remuneration of the members of the management body was determined in accordance with the specifications of the **remuneration system pursuant to section 87a German Stock Corporation Act** approved by general meeting. However, the provisions in section 87a German Stock Corporation Act require that the supervisory board has authority to decide on remuneration-related matters, and the supervisory board of a KGaA specifically lacks such authority. For this reason, it makes even less sense for section 87a German Stock Corporation Act to be applied to KSB than section 162 German Stock Corporation Act. In addition, KSB does not have any “executive board members”, and the Managing Directors of KSB Management SE are not members of the corporate bodies of the KGaA. If a company – like KSB – has not established a remuneration system, there generally is no need for such a review possibility, either.
- *The term “granted” includes “the de facto receipt of the remuneration component”;*
 - *The term “owed” includes “all legally existing liabilities for remuneration components that are due but have not yet been satisfied.”*

For reasons of legal precaution, KSB has decided to include information on the remuneration granted to former executive board members of then KSB AG (during the financial year) in the remuneration report. KSB AG was transformed into KSB SE & Co. KGaA at the beginning of 2018. The wording of section 162 German Stock Corporation Act does not preclude applicability to former executive board members following transformation of a stock corporation into a different legal form.

I. Remuneration granted and owed in the 2023 financial year (individualised)

According to section 162(5) sentence 2 German Stock Corporation Act, individualised remuneration information about former executive board members is to be left out in all remuneration reports that are prepared after ten years have elapsed since the financial year in which the respective member ended his/her last held office at KSB AG as an executive board or supervisory board member. Therefore, the following table only shows the remuneration individually granted and owed in the 2023 financial year for former executive board members of KSB AG who left after the 2013 financial year.

1. Table

in €	Dr. Wolfgang Schmitt	Dr. Peter Buthmann
Leaving date	30.06.2014	31.12.2017
Pension payments in 2023	209,856	198,840
Pension payments in 2022	183,756	174,108

*The pension payments represent the total remuneration granted to former executive board members. Remuneration components in excess of this were not granted.

B. Remuneration of former executive board members of KSB AG

However, according to section 162(1) sentence 1 German Stock Corporation Act, the remuneration granted and owed to former executive board members must also be reported on. The terms are based on the following understanding:

2. Explanatory note

These former executive board members of KSB AG were promised an old-age pension after reaching the age of 65. This pension is calculated when retirement age is reached on the basis of the average annual fixed salary in the last three years of service before leaving the Company and taking into account years of service. The old-age pension is paid in twelve equal instalments at the end of each month. The Company must review the pension benefits every three years in accordance with section 16 German Company Pensions Act and reach a decision thereon at its reasonable discretion.

II. Total remuneration granted to former executive board members who left before 2014

According to section 162(5) sentence 2 German Stock Corporation Act, remuneration that was granted and owed, in 2023, to former executive board members of KSB AG who had already ended their last held office at KSB AG as an executive board or supervisory board member before the beginning of 2014 must not be individually reported on. Such former executive board members and their surviving dependants were granted and owed a total of €2,351,953 in the 2023 financial year.

III. Comparison

The following table shows the percentage change in the remuneration of the former executive board members of KSB AG, the change in the earnings growth of KSB and the change in the average remuneration of the FTE employees as compared to the previous year.

The earnings growth is depicted on the basis of KSB's annual net profit/net loss. For greater comparability of the earnings growth, EBIT is also used as a group performance indicator.

The wages and salaries paid out in the respective financial year, incl. social security contributions and the other fringe benefits of the active FTE employees of KSB SE & Co. KGaA, are taken as a basis for the comparison with the development of the average remuneration of the employees.

Annual change in %

	2023 compared to 2022 ¹	2022 compared to 2021 ¹	2021 compared to 2020 ¹
Executive Board remuneration²			
Dr. Wolfgang Schmitt	+ 14.2	+ / - 0	+ / - 0
Dr. Peter Buthmann	+ 14.2	+ / - 0	+ / - 0
Earnings of growth			
Annual net profit/ net loss of KSB SE & Co. KGaA ³	- 4,565.8	+ 1,385.1	+ 146.7
EBIT of KSB Group ⁴	+ 54.8	+ 19.8	+ 101.1
Employee remuneration			
Employees of KSB SE & Co. KGaA	+ 3.9	+ 1.9	- 2.6

1 According to the transitional provision in section 26j(2) sentence 2 Introductory Act to the German Stock Corporation Act, until the end of the 2025 financial year, only the average remuneration over the period since the 2020 financial year is to be included in the comparison and not the average remuneration of the last five financial years.

2 "Granted and owed" remuneration within the meaning of section 162(1) sentence 1 German Stock Corporation Act.

3 Annual net profit/net loss of KSB SE & Co. KGaA in 2023: T€ 49,380; 2022: T€ 53,945.

4 EBIT of the KSB Group in 2023: T€ 223,902; 2022: T€ 169,103

C. Remuneration of the members of the supervisory board

I. Supervisory Board remuneration principles

The remuneration of the members of the Supervisory Board is laid down in section 14 of the Articles of Association of KSB and, in addition, by the resolution of the Annual General Meeting of 16 May 2012 on agenda item 7. Section 113(3) German Stock Corporation Act, which was amended by the ARUG II, provides that the general meeting of listed companies must resolve on the remuneration of the supervisory board members at least every four years. In this regard, a resolution that confirms the existing remuneration is also permissible. Moreover, information on the system for the remuneration of the members of the supervisory board must also be provided. On 6 May 2021, the Supervisory Board and the General Partner presented to the Annual General Meeting the existing remuneration for the members of the Supervisory Board for confirmation and the remuneration system to be voted on. On 6 May 2021, the Annual General Meeting confirmed the remuneration with 99.06% of the votes cast and adopted a resolution on the remuneration system.

Remuneration is not granted for possible supervisory board activities at subsidiaries.

II. Overview of the remuneration

The fixed annual remuneration of the Supervisory Board members is €60,000.00 for the Chair of the Supervisory Board, €45,000.00 for the Deputy Chair of the Supervisory Board and €30,000.00 for every other member of the Supervisory Board. Members of the Supervisory Board who only serve on the Supervisory Board for part of the financial year are remunerated on a pro rata temporis basis. The fixed remuneration of the members of the Supervisory Board is paid out in January of the respective following year.

In addition, the members of the Supervisory Board shall receive an attendance fee of €2,000.00 per meeting of the Supervisory Board and its commit-

tees they attend; the attendance fee for persons chairing committee meetings shall be €3,000.00 for each committee meeting. KSB will reimburse any VAT payable on the remuneration.

Additionally, the members of the Supervisory Board receive remuneration for activities which demand of them a particular time commitment within the scope of the tasks of the Supervisory Board which goes beyond the preparation and conduct of the meetings of the Supervisory Board and its committees. The time needed for preparation and conduct of the meetings of the Supervisory Board and its committees will be set at a flat rate of five hours per meeting for each participating member of the Supervisory Board, in the case of the respective Chairs of the meeting at ten hours per meeting, in the case of plenary sessions of the Supervisory Board at seven and a half hours per meeting for the Deputy Chair of the Supervisory Board. For each additional working hour, the respective Supervisory Board member will, since 2012, receive €250.00 against presentation of a corresponding timesheet. The maximum amount of the additional remuneration for all Supervisory Board members is €900,000.00 per year in total. Should the additional remuneration for the total proven working hours per year of the members of the Supervisory Board arithmetically exceed the annual maximum amount, the claims of the individual Supervisory Board members will be reduced proportionately.

The Supervisory Board remuneration takes into account, both in terms of structure and amount, the requirements of the office of a member of the Supervisory Board of KSB, in particular the time involved as well as the responsibility associated with it. The amount of the remuneration – also in comparison to the remuneration of the members of the Supervisory Boards of comparable listed companies in Germany – is generally commensurate with the tasks of the members of the Supervisory Board and the situation of KSB. A current review, however, arrived at the conclusion that the remuneration, which has not changed since 2017, shall be moderately increased based on, in particular, the ever-increasing demands

and the accompanying increasing workload as well as on loss of purchasing power due to inflation. The Supervisory Board, together with the General Partner, will propose that this be adopted by resolution of the 2024 Annual General Meeting. The remuneration makes it possible to recruit suitable and qualified candidates for the office of Supervisory Board member. As such, the Supervisory Board remuneration contributes to the Supervisory Board as a whole being able to properly and competently perform its duties of monitoring and advising the General Partner. Together with the General Partner, the Supervisory Board thereby promotes the business strategy as well as the long-term development of KSB SE & Co. KGaA SE.

Once they have left, members of the Supervisory Board will not receive any remuneration from KSB for their earlier Supervisory Board activities that goes beyond the preceding provisions.

III. Remuneration of Supervisory Board members in the 2023 financial year

1. Supervisory Board members in the 2023 financial year

The following members belonged to the Supervisory Board of KSB in the 2023 financial year:

- Dr. Bernd Flohr, member since 21 March 2017
- Claudia Augustin, member since 16 May 2018
- René Klotz, member from 15 May 2013 to 4 May 2023
- Klaus Burchards, member since 18 April 2017
- Arturo Esquinca, member since 26 February 2018
- Klaus Kühborth, member since 1 January 2004
- Birgit Mohme, member since 1 January 2015

- Thomas Pabst, member since 16 May 2018
- Prof. Dr.-Ing. Corinna Salander, member since 26 February 2018
- Harald Schöberl, member since 1 January 2020
- Volker Seidel, member since 1 January 2008
- Gabriele Sommer, member since 1 January 2016
- Jürgen Walther, member since 4 May 2023

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

The following table shows the remuneration individually granted and owed to the individual Supervisory Board members in the 2023 financial year. In this connection, the phrase "granted and owed" is based on the same understanding as described in B. The remuneration shown in the table therefore reflects the amounts actually received in the 2023 financial year. Accordingly, the attendance fees paid out in the 2023 financial year and the fixed remuneration paid in January 2023 for the 2022 financial year are shown as remuneration granted in the 2023 financial year. The additional remuneration includes the payments for the first three quarters of 2023 and the fourth quarter of 2022. Since the Company was not in default with the payment of remuneration components, no owed remuneration is shown in the table.

Name	Fixed remuneration		Attendance fee		Additional remuneration		Total	
	in €	in %	in €	in %	in €	in %	in €	in %
Dr. Bernd Flohr, Chair of the Supervisory Board and the Personnel Committee, member of the Nomination Committee and the Audit Committee								
2023	60,000	37.6	28,000	17.5	71,563	44.9	159,563	100
2022	60,000	41.7	25,000	17.3	58,975	41.0	143,975	100
Claudia Augustin, Deputy Chair of the Supervisory Board, member of the Personnel Committee ¹								
2023	30,000	50.5	14,000	23.5	15,450	26.0	59,450	100
2022	30,000	60.9	12,000	24.3	7,313	14.8	49,313	100
René Klotz, Former Deputy Chair of the Supervisory Board, former member of the Personnel Committee and the Corporate Development Committee ¹								
2023	45,000	74.2	8,000	13.1	7,688	12.7	60,688	100
2022	45,000	55.5	26,000	32.1	10,038	12.4	81,038	100
Klaus Burchards, Chair of the Audit Committee								
2023	30,000	33.8	26,000	29.3	32,750	36.9	88,750	100
2022	30,000	32.5	28,000	30.3	34,313	37.2	92,313	100
Arturo Esquinca, member of the Corporate Development Committee								
2023	30,000	50.8	20,000	33.9	9,063	15.3	59,063	100
2022	30,000	51.7	24,000	41.4	4,013	6.9	58,013	100
Klaus Kühborth, member of the Corporate Development Committee, member of the Nomination Committee ²								
2023	30,000	45.0	25,000	37.5	11,688	17.5	66,688	100
2022	30,000	42.5	31,000	43.9	9,575	13.6	70,575	100

Name	Fixed remuneration		Attendance fee		Additional remuneration		Total		
	in €	in %	in €	in %	in €	in %	in €	in %	
Birgit Mohme, member of the Audit Committee ¹									
2023	30,000	60.2	16,000	32.1	3,813	7.7	49,813	100	
2022	30,000	60.1	16,000	32.0	3,938	7.9	49,938	100	
Thomas Pabst, member of the Corporate Development Committee									
2023	30,000	53.5	20,000	35.7	6,063	10.8	56,063	100	
2022	30,000	51.8	24,000	41.4	3,938	6.8	57,938	100	
Prof. Dr.-Ing. Corinna Salander, member of the Corporate Development Committee									
2023	30,000	66.0	14,000	30.8	1,438	3.2	45,438	100	
2022	30,000	58.8	18,000	35.2	3,075	6.0	51,075	100	
Harald Schöberl, member of the Audit Committee ¹									
2023	30,000	48.7	22,000	35.7	9,625	15.6	61,625	100	
2022	30,000	50.6	22,000	37.1	7,313	12.3	59,313	100	
Volker Seidel, member of the Personnel Committee ¹ , member of the Corporate Development Committee ¹									
2023	30,000	51.6	24,000	41.2	4,188	7.2	58,188	100	
2022	30,000	54.7	22,000	40.1	2,875	5.2	54,875	100	
Gabriele Sommer, member of the Audit Committee									
2023	30,000	67.5	12,000	27.0	2,438	5.5	44,438	100	
2022	30,000	67.7	10,000	22.6	4,325	9.7	44,325	100	
Jürgen Walther, member of the Corporate Development Committee ¹									
2023	0	0	12,000	88.1	1,625	11.9	13,625	100	
2022	-	-	-	-	-	-	-	100	

¹ These employee representatives declare that they transfer the part of their Supervisory Board remuneration that corresponds to a German Trade Union Confederation (Deutscher Gewerkschaftsbund) directive to the Hans-Böckler Foundation, the institution that deals with co-determination, research and supports students on behalf of the Confederation.

² This Supervisory Board member declares that he always transfers all of his Supervisory Board remuneration to Johannes und Jacob Klein GmbH, Frankenthal.

IV. Comparison (vertical)

The following table shows the percentage change in the remuneration of the Supervisory Board members, the change in the earnings growth of KSB and the change in the average remuneration of the FTE employees as compared to the previous year.

The earnings growth is depicted on the basis of KSB's annual net profit/net loss. For greater comparability of the earnings growth, EBIT is also used as a group performance indicator.

The wages and salaries paid out in the respective financial year, incl. social security contributions and the other fringe benefits of the active FTE employees of KSB SE & Co. KGaA, are taken as a basis for the comparison with the development of the average remuneration of the employees.

Annual change in %

	2023 compared to 2022 ¹	2022 compared to 2021 ¹	2021 compared to 2020 ¹
Supervisory Board remuneration²			
Dr. Bernd Flohr	+ 10.8	– 4.5	+ 10.7
Claudia Augustin	+ 20.6	– 10.0	+ 5.7
René Klotz	– 25.1	+ 5.6	+ 32.5
Klaus Burchards	– 3.9	– 10.5	– 5.3
Arturo Esquinca	+ 1.8	+ 12.8	+ 7.9
Klaus Kühborth	– 5.5	+ 27.3	– 5.7
Birgit Mohme	– 0.3	– 5.8	– 7.4
Thomas Pabst	– 3.2	+ 7.4	+ 11
Prof. Dr.-Ing. Corinna Salander	– 11.0	+ 4.4	+ 2.6
Harald Schöberl	+ 3.9	– 2.5	+ 96.2
Volker Seidel	+ 6.0	+ 11.1	+ 3.1
Gabriele Sommer	+ 0.3	– 14.9	+ 0.5
Jürgen Walther	–	–	–
Earnings of growth			
Annual net profit/ net loss of KSB SE & Co. KGaA ³	– 4,565.8	+ 1,385.1	+ 146.7
EBIT of KSB Group ⁴	+ 54.8	+ 19.8	+ 101.1
Employee remuneration			
Employees of KSB SE & Co. KGaA	+ 3.9	+ 1.9	– 2.6

1 According to the transitional provision in section 26j(2) sentence 2 Introductory Act to the German Stock Corporation Act, until the end of the 2025 financial year, only the average remuneration over the period since the 2020 financial year is to be included in the comparison and not the average remuneration of the last five financial years.

2 "Granted and owed" remuneration within the meaning of section 162(1) sentence 1 German Stock Corporation Act.

3 Annual net profit/net loss of KSB SE & Co. KGaA in 2023: T€ 49,380; 2022: T€ 53,945.

4 EBIT of the KSB Group in 2023: T€ 223,902; 2022: T€ 169,103.

D. Description of the basic features of the remuneration system for the general partner and the managing directors

I. Remuneration of the General Partner

Pursuant to section 7(4) of the Articles of Association of KSB, the General Partner receives annual remuneration not based on profit or loss in the amount of 4% of the share capital for the management of the Company and assumption of personal liability. Accordingly, the Company spent €20,000.00 for this in the 2023 financial year.

According to the Articles of Association, the Company also reimburses the General Partner for all expenses in connection with the management of the Company's business; this concerns the remuneration of the members of the corporate bodies of the General Partner in particular.

II. Remuneration of the Managing Directors

The management of the Company is the responsibility of the General Partner. The Administrative Board of KSB Management SE appoints the General Partner's Managing Directors and is responsible for the service agreements with them. This responsibility includes the design of the remuneration system, the amount of remuneration and regular remuneration reviews.

Care was taken to design the remuneration system for the Managing Directors in such a way as to make it as transparent as possible. The total remuneration of the individual Managing Directors is based on different parameters. The following criteria are applied as a test of the appropriateness of the remuneration: the respective Managing Director's tasks, his personal performance, the economic situation and the success of the Company, as well as whether the remuneration corresponds to the market rate by comparison with peer companies and the remuneration structure otherwise in place in the Company.

The remuneration system for the Managing Directors is reviewed by the Administrative Board of KSB Management SE, in each case with the aim of ensuring that the remuneration system is in line with market practice and competitive and that it promotes the implementation of the Company's corporate strategy.

Remuneration system for the Managing Directors

-
- Short-term variable remuneration with performance targets relating to key financial indicators and personal performance
-
- Long-term variable remuneration with capital markets oriented financial and sustainability targets
-
- Forward-looking assessment period for the long-term variable remuneration
-
- Ambitious targets and incentive to overachieve the set targets by making a target achievement level of over 100% possible in the variable components
-
- No possibility of an additional premium payment at the Administrative Board's discretion
-
- Malus and clawback provisions in order to have the possibility to withhold or recover variable remuneration components
-

The remuneration system for the Managing Directors consists of non-performance-related components – fixed sum, fringe benefits and pension commitments – as well as short-term and long-term variable remuneration components. The fixed sum makes up 60% of the regular annual salary (total of fixed and variable remuneration). Accordingly, the variable remuneration accounts for 40% of the regular annual salary, with the long-term variable remuneration making up about two-thirds of that. This means that the majority of the variable remuneration is linked to the long-term development of the company.

1. Fixed remuneration

The fixed remuneration is not performance-related and consists of a fixed sum, fringe benefits and pension commitments (retirement, disability, widow's and orphan's pensions). The fixed sum equals 60% of the regular annual salary and is paid out as a basic monthly remuneration. All the Managing Directors receive the same fringe benefits, which include the private use of company cars, the payment of insurance premiums, and the payment of compensation, where applicable, for a post-contractual non-compete covenant. No loans or advances were granted to Managing Directors in the past financial year.

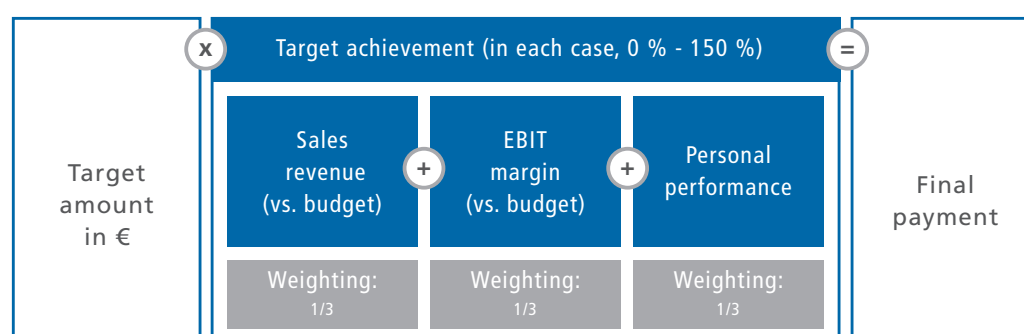
2. Variable remuneration

2.1 Short-term variable remuneration

The short-term variable remuneration with a one-year assessment period is designed as a target bonus model and awarded annually. The target amount, i.e. the amount paid out if the target achievement level is 100%, corresponds to 15% of the respective regular annual salary. As the basis for assessment, the Administrative Board has set EBIT margin, sales revenue and the overall assessment of the Managing Directors' personal performance as performance targets, each carrying equal weight. The target value of the financial performance targets, the achievement of which results in a target achievement level of 100%, corresponds to the budget in each case. For the overall assessment of personal performance, the Administrative Board sets individual targets before the beginning of each year based on a predefined catalogue of targets.

In addition, the Administrative Board can also factor into the overall assessment performance elements that are outside of the agreed targets as well as exceptional performance and developments. The target achievement level can be between 0% and 150%. The total target achievement level is determined on the basis of the weighted target achievement levels for the individual performance targets. The final short-term variable remuneration payment is made after the consolidated financial statements have been approved.

Short-term variable remuneration



2.2 Long-term variable remuneration

The long-term variable remuneration is designed as an annual plan with a three-year, forward-looking assessment period. The target amount corresponds to 25% of the respective regular annual salary. As the basis for assessment, the Administrative Board has set, with a weighting of 80%, as performance target the equally weighted average of the earnings per share (EPS) over three years and, with a weighting of 20%, the achievement of ESG (environmental, social, governance) sustainability targets. Factoring in the EPS puts a focus on the long-term successful development of the Company, and the interests of the Managing Directors are linked to the interests of the shareholders.

The target value for the average EPS is determined on the basis of the budget, the value used for planning purposes, and the medium-term plan. For the sustainability targets, before the beginning of the financial year the Administrative Board selects quantifiable targets based on the Company’s sustainability strategy from a predefined catalogue of targets and sets target values in each case. In that way, the Company’s sustainable development is also anchored in the remuneration system for the Managing Directors. The target achievement level can in each case be between 0% and 150% (130% until 2022). The final payment is made after the end of the assessment period. For each of the 2021 and 2022 financial years, a one-off up-front payment of 40% of the target value was promised and rendered in the event of a target achievement level of 100%. If the final payment is in excess of that, the up-front payment

will be netted against it at the end of the assessment period; if the final payment is less than that, no repayment is agreed.

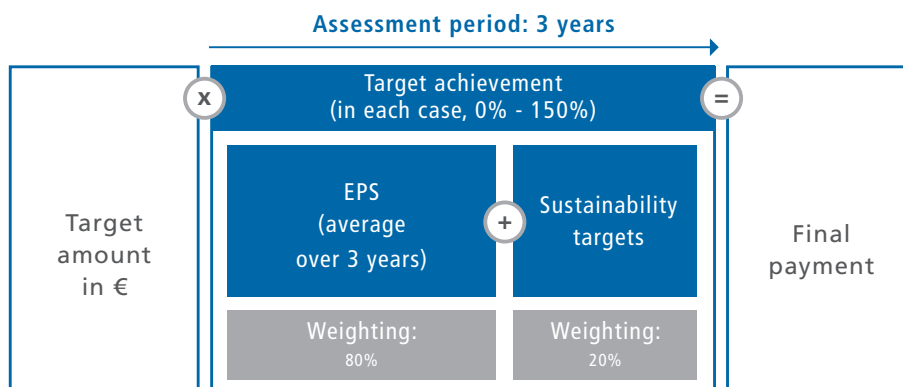
In the event of intentional breaches of duty, all or part of variable remuneration that has not yet been paid out may be reduced to zero, or the Company may claw back all or part of variable remuneration that has already been paid out. Variable remuneration already paid out must, moreover, be paid back if and to the extent that the amount was calculated on the basis of incorrectly audited, approved consolidated financial statements and, after correction, a lower payment or no payment at all would be owed.

3. Other matters

In accordance with recommendation G.13 of the German Corporate Governance Code, payments to a Managing Director due to early termination of their term of office should not exceed twice their annual remuneration (severance cap) and should not constitute remuneration for more than the remaining term of their employment contract.

No Managing Director has been promised further benefits in the event of a termination of office, including no compensation in the event of a takeover offer. Should a Managing Director’s employment contract be terminated for cause and should he bear responsibility, the Company will pay no severance.

Long-term variable remuneration



Report of the independent auditor on the formal audit of the remuneration report pursuant to section 162(3) German Stock Corporation Act

To KSB SE & Co. KGaA, Frankenthal/Pfalz

Opinion

We have formally audited the remuneration report of the KSB SE & Co. KGaA, Frankenthal/Pfalz, for the financial year from January 1 to December 31, 2023 to determine whether the disclosures pursuant to § [Article] 162 Abs. [paragraphs] 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

Basis for the opinion

We conducted our formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG and IDW [Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG (IDW AuS 870). Our responsibility under that provision and that standard is further described in the "Auditor's Responsibilities" section of our auditor's report. As an audit firm, we have complied with the requirements of the IDW Quality Assurance Standard: Requirements to quality control for audit firms [IDW Qualitätssicherungsstandard - IDW QS 1]. We have complied with the professional duties pursuant to the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer - BS WP/vBP], including the requirements for independence.

Responsibility of the Management Board and the Supervisory Board

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our objective is to obtain reasonable assurance about whether the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to determine, through comparison of the disclosures made in the remuneration report with the disclosures required by § 162 Abs. 1 and 2 AktG, the formal completeness of the remuneration report. In accordance with § 162 Abs 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Mannheim, March 20, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dirk Fischer
German Public Auditor

Matthias Böhm
German Public Auditor

Further information and notes

I. Total number of shares and voting rights

As at the date of the convocation of the Annual General Meeting, the share capital of the Company amounts to EUR 44,771,963.82 and is divided into 886,615 no-par value ordinary shares and 864,712 no-par value preference shares. In the Annual General Meeting, each no-par value ordinary share confers one vote, so the total number of voting rights is 886,615. The no-par value preference shares do not confer any voting rights in the Annual General Meeting.

II. Requirements for attending the Annual General Meeting and exercising voting rights

1. Eligibility to attend

Pursuant to section 16(1), (2) of the Articles of Association, only those shareholders who have registered with the Company in a timely manner prior to the Annual General Meeting are – in person or through proxies – entitled to attend the Annual General Meeting and to exercise their voting rights – if and to the extent such rights are accorded to shareholders under the Articles of Association or the statutory provisions.

Shareholders must provide evidence of their right to attend the Annual General Meeting and to exercise their voting rights (pursuant to section 16(1), (3) of the Articles of Association) – if and to the extent such rights are accorded to shareholders under the Articles of Association or the statutory provisions. A certificate of share ownership issued in text form and in German by the depository bank or evidence pursuant to section 67c(3) German Stock Corporation Act (in each case “evidence of eligibility”) will be sufficient for this purpose. This evidence of eligibility must relate to the close of business on the twenty-second day (local time at the Company’s registered office) prior to the Annual General Meeting, i.e. to **24:00 on 16 April 2024** (CEST) (“record date”).

Only persons who have furnished evidence of eligibility will be deemed to be shareholders of the Company for the purpose of attending the Annual General Meeting and exercising voting rights. This means that shareholders who have only acquired their shares after the record date will neither be able to attend the Annual General Meeting nor have voting rights at the Annual General Meeting. The record date does not have any consequences for the saleability of the shares. Shareholders who have sold their shares after the record date will therefore – provided that they have registered in good time and have submitted evidence of eligibility – nevertheless be eligible to attend the Annual General Meeting, and to exercise their voting rights – if and to the extent such rights are accorded to them under the Articles of Association or the statutory provisions. The record date is irrelevant as far as entitlement to dividends is concerned.

The notice of registration and evidence of eligibility must be received by the Company by no later than **24:00 on 1 May 2024** (CEST) either in text form

- at the address

KSB SE & Co. KGaA
c/o Computershare Operations Center
80249 München
Germany

or

- at the following e-mail address
anmeldestelle@computershare.de

or by transmission through intermediaries subject to the requirements set out in section 67c German Stock Corporation Act. We recommend registering and submitting evidence of eligibility by e-mail.

Upon timely receipt of registration and evidence of eligibility by the Company, shareholders and/or their proxies will be sent an admission ticket for the Annual General Meeting. Admission tickets are issued purely as an organizational aid and are not a prerequisite for attending the Annual General Meeting and exercising voting rights.

2. Notes on casting votes by proxy

In addition to voting in the Annual General Meeting themselves, shareholders may also vote by proxy, which can, for example, be a credit institution, a shareholders' association or other representatives such as, for example, so-called Company proxies appointed by the Company. If shareholders wish to vote by proxy, they nevertheless still have to register in good time and evidence of eligibility must be received by the Company in good time in one of the manners described above.

For further details on voting by proxy, please see the sections "Procedure for voting by proxy" and "Procedure for voting by Company proxy".

III. Procedure for casting votes

Once shareholders have duly and properly registered and supplied their evidence of eligibility, they may attend the Annual General Meeting in person and cast their votes themselves. They may however also cast their votes by proxy, e.g. by Company proxies appointed by the Company.

1. Procedure for voting by proxy

Shareholders who do not wish to exercise their voting rights at the Annual General Meeting themselves, but rather by proxy, must grant such proxy a due and proper proxy authorization before the vote. The following should be noted in this regard:

- a) If neither an intermediary within the meaning of section 135(1) German Stock Corporation Act nor another person or institution (such as a shareholders' association) treated as equivalent to an intermediary pursuant to section 135(8) German Stock Corporation Act has been authorized, the proxy authorization must be issued either

aa) to the Company

- in text form at the address

KSB SE & Co. KGaA
c/o Computershare Operations Center
80249 München
Germany

or

- in text form at the e-mail address

anmeldestelle@computershare.de

or

- by way of transmission through intermediaries subject to the requirements set out in section 67c German Stock Corporation Act

or

- bb) directly to the proxy in text form (in such a case, evidence of the proxy authorization must be submitted to the Company in text form or by way of transmission through intermediaries subject to the requirements set out in section 67c German Stock Corporation Act).

The same applies to the revocation of a proxy authorization.

Shareholders and their proxies may submit evidence of the authorization or revocation thereof in text form at one of the addresses stated above under aa) for issuing proxy authorizations to the Company or, subject to the requirements set out in section 67c German Stock Corporation Act, through intermediaries. Such evidence may also be submitted on the day of the Annual General Meeting at the entrance/exit desk.

- b) The statutory provisions, in particular section 135 German Stock Corporation Act, apply to proxy authorizations granted to intermediaries within the meaning of section 135(1) German Stock Corporation Act or other persons or institutions (such as shareholders' associations) treated as equivalent to intermediaries pursuant to section 135(8) German Stock Corporation Act as well as to the revocation and the evidence of such proxy authorizations. Shareholders must also observe any rules laid down by the respective proxies in this regard.
- c) Please refer your proxies to the information on data protection which is set out in section VI. below.
- c) Proxy authorizations and instructions to Company proxies may be issued, amended or revoked in text form, using one of the addresses listed in section II.1. for registration, by **18:00 on 7 May 2024 (CEST)**. In all these cases, the time at which the proxy authorization or instruction, amendment or revocation is received by the Company will be decisive. On the day of the Annual General Meeting, proxy authorizations and instructions to Company proxies may also be issued, amended or revoked in text form at the entrance/exit desk.
- d) Subject to the requirements set out in section 67c German Stock Corporation Act, authorizations and instructions to Company proxies may also be issued, amended or revoked by way of transmission through intermediaries by **18:00 on 7 May 2024 (CEST)**. The time at which the proxy authorization or instruction, amendment or revocation is received by the Company will be decisive.

2. Procedure for voting by Company proxy

Shareholders who are entitled to a voting right under the Articles of Association or the statutory provisions may also cast their votes by Company proxies appointed by the Company. The following should be noted in this regard:

- a) Company proxies may only vote in respect of agenda items for which they have received express instructions on how to exercise the voting right. Company proxies are obliged to vote according to the instructions given to them.
- b) Please note that Company proxies (i) cannot accept any requests to speak, to lodge objections to general meeting resolutions or to ask questions or submit motions and that they (ii) are only available to vote on such motions and candidate nominations in respect of which resolution proposals by the General Partner and/or the Supervisory Board pursuant to sections 283 no. 6, 124(3) German Stock Corporation Act or by shareholders pursuant to sections 124(1), 122(2) sentence 2 German Stock Corporation Act have been published in this convocation or subsequently or have been made available pursuant to sections 126, 127 German Stock Corporation Act.
- e) Instructions to Company proxies in respect of agenda item 2 in this convocation will also apply should the proposed resolution on the appropriation of the balance sheet profit be amended on account of a change in the number of shares carrying dividend rights.
- f) Should a separate vote rather than a block vote be carried out in respect of an agenda item, the instruction given in respect of this agenda item will apply analogously to each point of the separate vote.
- g) Intermediaries within the meaning of section 135(1) German Stock Corporation Act or other persons and institutions (such as a shareholders' association) treated as equivalent to intermediaries pursuant to section 135(8) German Stock Corporation Act with proxy authorizations may also avail themselves of Company proxies appointed by the Company, provided they comply with the aforementioned time periods.

3. Forms for proxy authorizations

Shareholders may use the form that they receive together with the admission ticket to register and issue proxy authorizations, or they may use any method described above in sections II.1., III.1., and III.2. that meets the formal requirements. Proxy authorizations may also be issued during the Annual General Meeting.

If you wish to authorize an intermediary within the meaning of section 135(1) German Stock Corporation Act, or another person or institution (such as a shareholders' association) treated as equivalent to an intermediary pursuant to section 135(8) German Stock Corporation Act, please discuss the form in which the proxy authorization is to be issued with such person or institution.

IV. Shareholders' rights

In the run-up to and at the Annual General Meeting the shareholders will, inter alia, have the following rights. For further details, please see the Company's website at www.ksb.com/agm.

1. Additions to the agenda

Shareholders whose shares together represent an amount of the share capital equal to EUR 500,000.00 (this corresponds to 19,559 shares) may, pursuant to section 122(2) German Stock Corporation Act, request that items be put on the agenda and published. Each new item must be accompanied by the grounds for this or a draft resolution. The request must be submitted to the Company in writing. Please send a respective request to the following address:

KSB SE & Co. KGaA
FCF / Investor Relations
Johann-Klein-Straße 9
67227 Frankenthal (Pfalz)
Germany

It must be received by the Company at least 30 days prior to the meeting, i.e. by no later than **24:00 on 7 April 2024 (CEST)**. The shareholders in question must, pursuant to section 122(2), (1) sentence 3 German Stock Corporation Act, prove that they have

owned the shares for at least 90 days prior to the date of receipt of the request and that they will hold the shares until the General Partner decides on the application.

Additional agenda items that must be published will be published in the Federal Gazette without undue delay on receipt of the request and, pursuant to section 121(4a) German Stock Corporation Act, be forwarded for publication to such media capable of distributing the information throughout the entire European Union. They will also be made available on the Company's website at www.ksb.com/agm and notified to the shareholders.

2. Counter-motions; voting proposals

Each shareholder is entitled pursuant to section 126(1) German Stock Corporation Act to submit counter-motions to proposed resolutions in respect of individual agenda items. If the counter-motions are to be made available by the Company, they must be submitted at least 14 days prior to the Annual General Meeting, i.e. by no later than **24:00 on 23 April 2024 (CEST)**,

- at the address

KSB SE & Co. KGaA
FCF / Investor Relations
Johann-Klein-Straße 9
67227 Frankenthal (Pfalz)
Germany

or

- at the e-mail address

investor-relations@ksb.com

or

- by way of transmission through intermediaries subject to the requirements set out in section 67c German Stock Corporation Act.

Otherwise addressed counter-motions need not be made available.

In all cases in which a counter-motion has been submitted, the time at which the counter-motion is received by the Company will be decisive.

Shareholders' counter-motions that are to be made available will be made available together with the shareholders' names and, if applicable, the grounds for the counter-motions as well as any statements by the General Partner and/or the Supervisory Board in this regard on the Company's website at www.ksb.com/agm.

The Company may decide not to make a counter-motion and possible grounds for it available if the requirements set out in section 126(2) German Stock Corporation Act are met. The grounds on which the Company may do so are listed on its website at www.ksb.com/agm.

These provisions apply, pursuant to section 127 German Stock Corporation Act, analogously to a shareholder's nomination for the election of a member of the Supervisory Board or of the auditor. In addition to the grounds listed in section 126(2) German Stock Corporation Act, the General Partner does not need to make a candidate nomination available if, inter alia, the nomination does not include the name, occupation and place of residence of the candidate. Nor does the Company have to make nominations for the election of members of the Supervisory Board available if the nomination does not include information on any positions held by the proposed candidate in other supervisory boards required by law within the meaning of section 125(1) sentence 5 German Stock Corporation Act.

3. Right to be provided with information

Pursuant to section 131(1) German Stock Corporation Act, each shareholder is to be provided on request with information on the Company's affairs at the Annual General Meeting by the General Partner, provided that such information is needed by a shareholder to properly assess a specific agenda item and provided that the General Partner is not entitled to refuse to provide such information. The General Partner's duty to provide information also extends to the Company's legal and business relationships

with its affiliated enterprises. The duty to provide information also covers the situation of the KSB Group and enterprises included in the consolidated financial statements of the KSB Group. The circumstances in which the General Partner is entitled to refuse to provide information are listed on the Company's website at www.ksb.com/agm.

V. Information and documents on the Annual General Meeting; website

All Managing Directors of the General Partner and all members of the Supervisory Board of the Company intend to attend the Annual General Meeting for its entire duration. This convocation to the Annual General Meeting, the documents to be made available to the Annual General Meeting, including the information required pursuant to section 124a German Stock Corporation Act, shareholders' motions as well as additional notes on shareholders' rights will be available on the Company's website (www.ksb.com/agm) from the day on which the Annual General Meeting is convened. All documents that must be made available to the general meeting by law will also be available for inspection at the Annual General Meeting.

VI. Information on data protection

In connection with the Annual General Meeting, KSB SE & Co. KGaA processes, as controller within the meaning of data protection law, personal data (name, address, if applicable, e-mail address, number of shares, type of share ownership, number of the admission ticket, voting behaviour, motions and speeches) of shareholders and their proxies on the basis of applicable data protection law in order to prepare for, conduct and document the Annual General Meeting in the form stipulated by law.

The processing of personal data is absolutely necessary for the preparation and the conduct of the Annual General Meeting. The legal basis for the processing of such data is Article 6(1) lit. c) General Data Protection Regulation (GDPR) and section 67e(1) German Stock Corporation Act.

The service providers commissioned to host the Annual General Meeting only receive personal data from KSB SE & Co. KGaA that are required for the performance of the commissioned service. The service providers process the data on the basis of a contract with KSB SE & Co. KGaA and exclusively in accordance with the instructions of KSB SE & Co. KGaA. An automated decision making (e.g. profiling) does not take place. Otherwise, personal data are provided to the shareholders and shareholder representatives, in particular via the attendance list, in connection with the Annual General Meeting within the scope of the statutory provisions.

The Company retains the personal data in connection with the Annual General Meeting in accordance with the statutory duties. The data are regularly erased after three years if the data are no longer needed for possible disputes over the adoption or validity of resolutions of the Annual General Meeting. Should the Company become aware that a shareholder is no longer a shareholder of the Company, his personal data will generally be retained for no more than twelve months after this becomes known to the Company if the data are no longer needed for possible disputes over the adoption or validity of resolutions of the Annual General Meeting.

Under the statutory requirements, the shareholders and proxies have at all times an access, rectification, restriction, objection and erasure right in relation to the processing of their personal data as well as a right to data portability pursuant to chapter III of the GDPR and section 67e(4) German Stock Corporation Act. The shareholders and proxies may assert these rights vis-à-vis the Company, free of charge, using the following contact information:

- KSB SE & Co. KGaA
Johann-Klein-Straße 9
67227 Frankenthal (Pfalz)
Germany
- or
- via the telephone number
+49 (0) 6233 860
- or
- via the e-mail address
info@ksb.com.

Shareholders and proxies can also reach the Company's data protection officer using this contact information. In addition, the shareholders and proxies also have a right to lodge a complaint with the data protection supervisory authorities pursuant to article 77 GDPR.

Frankenthal (Pfalz), in March 2024

KSB SE & Co. KGaA
KSB Management SE as General Partner

CongressForum Frankenthal

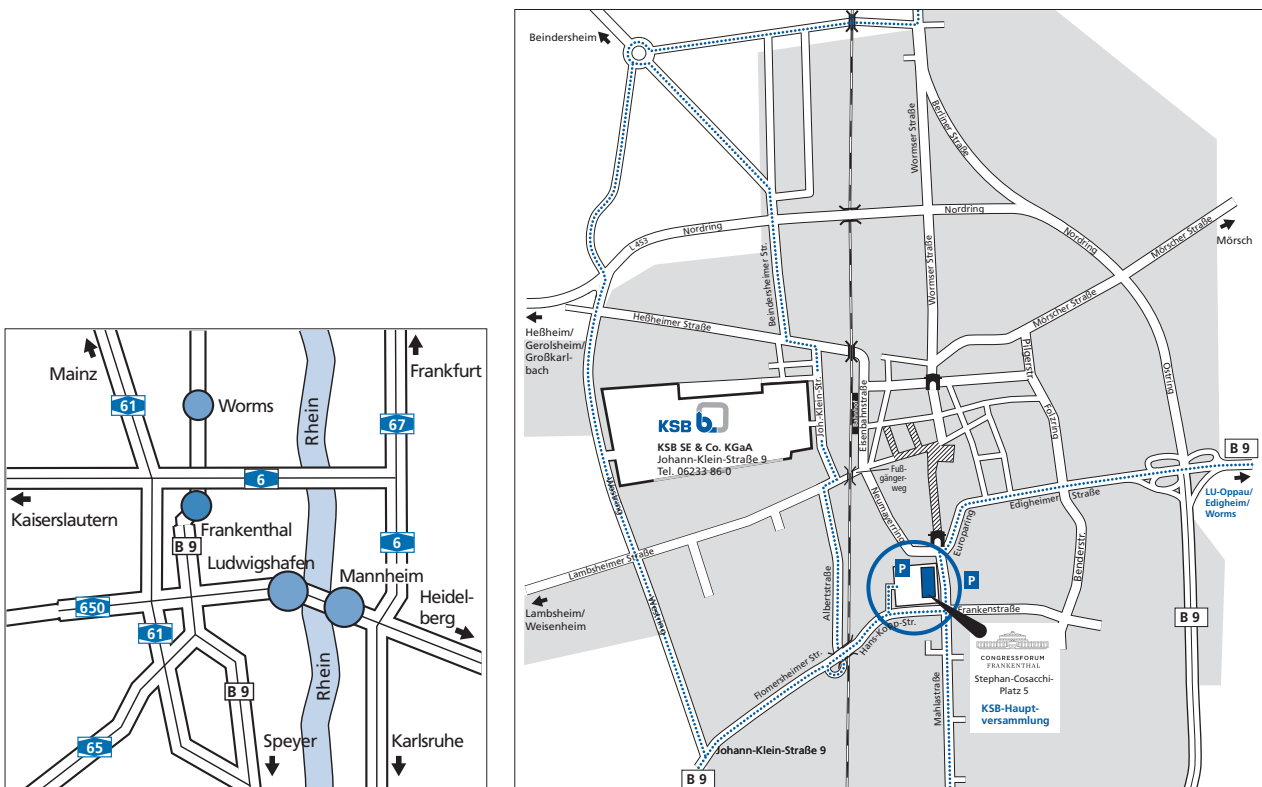
The CongressForum Frankenthal offers 300 parking spaces incl. some in an underground car park. In Frankenthal, please follow the parking guidance system to car parks P6/P7.

By car:

From Mannheim and Landau, drive to the Oggersheimer Kreuz junction, exit No. 7, B9 towards Frankenthal, and then take the Frankenthal-Studernheim/Süd exit. From Kaiserslautern and Mainz, take the Frankenthal exit (No. 22) and follow the signs to Zentrum/CongressForum.

By train:

The ICE high-speed train station Mannheim is 17 km away and can be reached in approx. 20 minutes by taxi or car. Direct connections from/to Mannheim with the regional train (RB) or the regional express (RE) take about 15 minutes. Frankenthal train station is only 650 m away from the CongressForum and can be reached on foot in a few minutes.



Find all the facts and figures on the 2023 financial year in the KSB Group's Annual Report.

Digital Annual Report

Online Annual Report
with additional functions:

ksb.com/online-report

PDF for download:

ksb.com/annualreport



Contact

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E-Mail: investor-relations@ksb.com



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