Continental AG
Remuneration System for the Executive Board from 2024

I. Further Development of the Remuneration System

The current remuneration system for the Executive Board of Continental AG (hereinafter "Continental") was put to a vote at the Annual Shareholders' Meeting in 2020 and approved by the shareholders present with 97.41% of the vote. In 2023, the Supervisory Board conducted a review of the remuneration system taking into account the company's strategic objectives, investor expectations and common market practice. The remuneration system for the members of the Executive Board developed on the basis of this review is in line with the provisions of the German Stock Corporation Act (*Aktiengesetz – AktG*) and with the principles, recommendations and proposals of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex – DCGK*). The basics of the updated remuneration system are explained below.

The updated remuneration system applies effective January 1, 2024 to all active members of the Executive Board, provided they have concluded the relevant amendment agreements with the company, as well as to all new appointments and reappointments, subject to presentation to the 2024 Annual Shareholders' Meeting for approval.

The table below provides an overview of the key changes and the reasons behind them:

Previous arrangement	Changes and their background
Short-term incentive (Performance bonus) Performance criteria The performance criteria include free cash flow, EBIT (adjusted), ROCE and additional personal performance criteria that are included in the form of the Personal Contribution Factor (PCF).	**Change:** In the further developed remuneration system, free cash flow and EBIT each have a weighting of 45% and ESG targets have a weighting of 10% in the short-term incentive (performance bonus - STI). The ROCE performance criterion is transferred to the long-term incentive (LTI) as a performance target. The possible adjustments for calculation of the EBIT for the purposes of Executive Board remuneration are adapted and the figure is essentially brought into line with the key figure used in the annual report. As in the previous system, the Supervisory Board can define personal performance criteria, which are included in the form of the Personal Contribution Factor (PCF). **Background:** The focus of the adjustment is on operational profitability without taking special effects into account. Adjusted EBIT, which is now fundamentally used, is one of Continental's key internal performance indicators, is part of the remuneration system for managers and is an important KPI communicated to the capital market. The adjustments underlying the adjusted EBIT are made on the basis of a narrowly defined catalog and are signed off by the Supervisory Board for the purpose of determining Executive Board remuneration. Sustainability is also an essential and integral part of Continental's corporate strategy. In future, the Supervisory Board will therefore set various strategy-relevant, ambitious and measurable ESG targets for a financial year.

Long Term Incentive Performance criteria The performance of total shareholder return (TSR) is linked by way of multiplication with a sustainability factor.	**Change:** In the updated remuneration system, the relative performance of TSR (weighting: 50%) is linked by way of addition with ROCE (weighting: 30%) and ESG targets (weighting: 20%). The range for deviations from the benchmark index for TSR has been adjusted from previously -25 to +25 percentage points, to now -20 to +20 percentage points. **Background:** In addition to the relative TSR as an external financial target, the LTI will in future also be measured using ROCE, an internal profitability indicator that expresses Continental's financing capability and value generation. By anchoring ROCE in the LTI instead of the STI, an incentive is created to secure Continental's long-term profitability. The fact that ESG targets linked by means of addition are now incorporated in both variable remuneration components provides an overall incentive to advance sustainable business practices at Continental. Care is taken to ensure that the ESG targets of the STI and the LTI complement each other as effectively as possible and are not counted twice. The adjustment of the range for deviations is intended to tie payouts more closely to the performance of the Continental Corporation compared with the peer group.
Pension commitment Until now, the remuneration system has provided for a contribution-based pension commitment for all Executive Board members.	**Change:** Instead of a contribution-based pension commitment, Executive Board members appointed from January 1, 2024, onward will be granted a pension allowance amounting to up to 30% of the fixed annual salary for personal provision arrangements. **Background:** An allowance for personal provision arrangements eliminates long-term risks for Continental and means that in the future it will not be necessary to form provisions for occupational benefits. This is also in line with the current market trend.
Penalty and clawback The current malus and clawback regulations include a reduction or clawback of variable remuneration for the short-term incentive and long-term incentive in the event of compliance violations.	**Change:** A performance correction and a performance clawback will be introduced in addition to the current rules. This includes the reduction and/or clawback of variable remuneration in the event that variable remuneration was calculated and paid out on the basis of erroneous data (e.g., erroneous consolidated financial statements). **Background:** The introduction of a performance correction and/or a performance clawback is in line with current market practice.
Exceptional developments Under the current system, it is already possible to temporarily deviate from	**Change:** For the purpose of clarification, the options for specific deviations from target values in the context of the variable remuneration or structural deviations from the remuneration system have been clearly distinguished.

components of the remuneration system in the event of extraordinary events and developments.	**Background:** The mechanisms differentiate more strongly than before between the statutory requirements and the recommendations of the German Corporate Governance Code.

II. Principles of the Remuneration System

The remuneration system for the Executive Board makes a vital contribution to supporting the business strategy as well as the long-term and sustainable development of Continental. It provides an incentive to achieve strategic targets and uphold the company's value-creating performance over the long term in the interests of all stakeholders – customers, investors, employees, business partners and society at large. Given the changes underway in the field of mobility, Continental is undergoing a comprehensive transformation process. Assisted by the development of new technologies, differentiation in its corporate portfolio, and the expansion and implementation of its sustainability strategy, Continental aims to improve operating performance and drive sustainable growth. With this in mind, the remuneration system also includes, alongside the major financial key performance indicators for implementing the transformation strategy, certain targets from the areas of environment, social and governance (ESG).

Appropriate remuneration with regard to Executive Board member performance is ensured, on the one hand, by a high proportion of variable remuneration components and, on the other, by ambitious targets in the performance criteria for those variable remuneration components. Customary market practice is applied as an additional measure in view of the size, complexity and financial situation of the company.

The Supervisory Board bases its determination of the remuneration system on the following guidelines:

- Is consistent with the corporate strategy and promotes the long-term and sustainable development of Continental using strategy-driven performance criteria
- Takes distinct account of "pay for performance" through high proportion of variable remuneration components and performance criteria with ambitious targets
- Focuses on sustainability by incorporating key ESG targets into both variable remuneration components
- Is aligned with shareholder interests and incorporates investor feedback into reviews of the remuneration system
- Ensures that remuneration is consistent within Continental by means of standardized incentives for the Executive Board and managers
- Is simple and straightforward in design and has a structure that is easy to understand

III. Overview of the Remuneration System

The table below provides a comprehensive overview of the system for remunerating members of the Executive Board:

The remuneration system at a glance

Fixed remuneration	Fixed annual salary		– Fixed remuneration covering the entire fiscal year, which is paid in twelve equal monthly installments
	Additional benefits		– Essentially expenses for insurance benefits, provision of a company car, and reimbursement of travel expenses and relocation costs
	Cash allowance/future benefit rights		– Annual contribution amounting to 30% of fixed annual salary for personal provision arrangements in cash (cash allowance) – Executive Board members appointed before January 1, 2024 retain the previous contribution-based future benefit rights
Variable remuneration	Performance bonus (STI)	Type	– Annual bonus

		Performance criteria	– Financial performance criteria
			  – 45% adjusted EBIT
			  – 45% free cash flow
			  – 10% ESG targets
			  (target achievement: 0 - 200%)
			– Personal contribution factor
			  – Collective and individual performance of Executive Board members
			  (range: 0.8 - 1.2)

		Cap	– 200% of target amount
		Payout[1]	– 60% in cash – 40% equity deferral (three-year holding period)
	Long-term incentive (LTI)	Type	– Virtual performance share plan
		Term	– Four years (three years of measuring performance criteria and one further year of share price development)
		Performance criteria	– 50% relative total shareholder return (target achievement: 0 - 150%) – 30% ROCE – 20% ESG targets (target achievement: 0 - 200%)
		Cap	– 200% of target amount
		Payout	– After the four-year term, in cash
Penalty/clawback			– Compliance penalty – Compliance and performance clawback
Share ownership guideline (SOG)			– CEO: 200% of fixed annual salary – Ordinary Executive Board members: 100% of fixed annual salary – Holding period for duration of term of office plus additional two years after end of appointment

1 Net amount: from the net inflow of the performance bonus, shares of Continental with a value of 20% of the total gross amount of the performance bonus must be purchased and held for a period of three years; the corresponding gross amount was calculated assuming a tax and contribution ratio of 50% flat.

1. Components of the remuneration system

The remuneration system consists of fixed, non-performance-related remuneration components as well as variable, performance-related remuneration components, which together form the total remuneration of the members of the Executive Board. The fixed remuneration components comprise the fixed annual salary, additional benefits and the cash allowance for Executive Board members appointed for the first time after January 1, 2024 or the future benefit rights for Executive Board member appointed prior to January 1, 2024.

The variable, performance-based remuneration components comprise a short-term remuneration component (STI excluding equity deferral) as well as long-term remuneration components (LTI and equity deferral from the STI). Before the beginning of each fiscal year, the Supervisory Board, taking into account the strategic goals, the provisions of Sections 87 and 87a *AktG* and the *DCGK* in its applicable version, defines the target criteria for the variable remuneration components, the degree of achievement of which determines the actual payout.

The remuneration of the Executive Board members is therefore aligned with the long-term and sustainable development of the company. The variable remuneration is largely based on an assessment over several years. Moreover, the Executive Board members are set non-financial target criteria aimed at safeguarding the sustainable development of the company.

The remuneration system also incorporates other key regulations such as the possibility of a sign-on bonus, penalty and clawback provisions, Share Ownership Guidelines (SOG) and the legally required maximum remuneration.

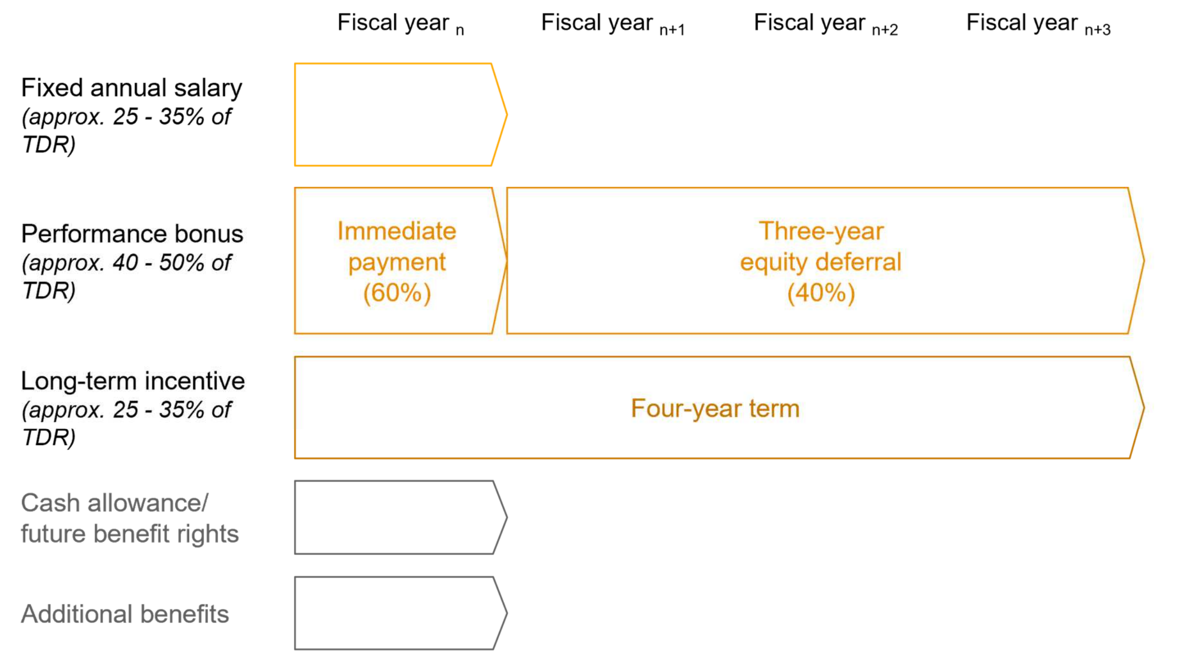
2. Structure of target direct remuneration and target total remuneration

The sum of the fixed annual salary, the target amount of the STI and the target amount of the LTI together determine the target direct remuneration. This is supplemented by additional benefits and the cash allowance or future benefit rights (target direct remuneration plus additional benefits and future benefit rights together make up the target total remuneration).

To ensure the remuneration system is aligned to the principle of pay for performance, the target direct remuneration comprises mainly variable remuneration components. In addition, the vast majority of variable remuneration components are based on an assessment over several years and are paid out fully in shares. This means that the remuneration structure is aligned to the sustainable and long-term performance of the company and ensures that the variable remuneration based on the achievement of long-term targets accounts for a greater proportion of the total remuneration than the component derived from short-term targets, and that the interests of the Executive Board are in line with those of the shareholders.

The fixed annual salary accounts for around 25 - 35% of the target direct remuneration. The STI accounts for around 40 - 50% of the target direct remuneration. Of this, 60% is allocated to the portion that is paid out directly after the respective fiscal year (immediate payment). The remaining 40% of the STI is allocated to blocked shares which only become available to Executive Board members after another three fiscal years (equity deferral). The LTI accounts for around 25 - 35% of the target direct remuneration.

Term of remuneration components and structure of target direct remuneration (TDR)



The proportion of fixed remuneration in the target total remuneration is around 20 - 30%. The STI makes up around 30 - 45 % of the target total remuneration. The LTI accounts for around 20 - 30 % of the target total remuneration.

A further component of the target total remuneration is the cash allowance, which makes up max. 7 - 9% of the target total remuneration. In the case of Executive Board members appointed prior to January 1, 2024, the future benefit rights account for around 13 - 28% of the target total remuneration. The additional benefits (excluding any possible compensation payments to new members joining the Executive Board) regularly account for 1% of the target total remuneration on average. The relative proportions of additional benefits shown may differ slightly in the future due to the costs of the contractually agreed additional benefits.

3. Maximum remuneration

In order to achieve a balanced opportunity/risk profile and an appropriate incentive effect for the remuneration system, the variable remuneration components are structured in such a way that payment may be forfeited in its entirety. On top of this, caps have been defined for both the STI and the LTI. This cap for both the STI and the LTI is 200% of the target amount or allotment value.

In addition, the Supervisory Board has defined a maximum remuneration for the members of the Executive Board pursuant to Section 87a (1) sentence 2 no. 1 *AktG*. The maximum remuneration comprises all payments of fixed remuneration components in the form of the fixed annual salary, any possible sign-on bonus to be paid, the additional benefits (or their value) and the cash allowance or future benefit rights, as well as the payments from the variable remuneration components. Here, the maximum remuneration limits the payments of the remuneration agreed for a fiscal year, irrespective of the actual payment date. In the case of future benefit rights, the service cost is factored into the calculation of the maximum compensation. The maximum remuneration amounts to €11.5 million for the chairman of the Executive Board and €6.2 million for the ordinary members of the Executive Board.

IV. Specifics of the Remuneration System

1. Fixed remuneration components

1.1. Fixed annual salary

The fixed annual salary is a set remuneration covering the entire fiscal year, which is paid in twelve equal monthly installments.

1.2. Additional benefits

Each member of the Executive Board also receives additional benefits. These include:

- Provision of a company car that may also be used privately
- Reimbursement of travel expenses and, where necessary, relocation costs and expenses for having to maintain a second domicile in order to perform his or her office
- A regular health checkup
- Directors' and officers' (D&O) liability insurance with deductible in accordance with Section 93 (2) sentence 3 *AktG*
- Accident insurance
- The Employers' Liability Insurance Association Contribution, including, where necessary, income tax incurred as a result
- Health insurance and long-term care insurance contributions based on Section 257 of Book V of the German Social Code (*Sozialgesetzbuch – SGB*) and Section 61 of Book XI *SGB*.

1.3. Cash contribution/pension commitment

In place of a commitment to provide occupational retirement benefits, the Supervisory Board provides Executive Board members appointed for the first time after January 1, 2024 with a cash allowance for personal provision arrangements amounting to at max. 30% of their fixed annual salary. The cash allowance is paid out once a year and is calculated pro rata for any members who join or step down from the board over the course of the year.

Executive Board members appointed prior to January 1, 2024 were awarded future benefit rights within the scope of a defined contribution commitment. A capital component is credited to the Executive Board member's pension account each year. To determine this, a fixed contribution, agreed by the Supervisory Board in the respective Executive Board member's service agreement, is multiplied by an age factor that represents an appropriate return. For Executive Board members who were already in office prior to January 1, 2014, the retirement agreement valid up until December 31, 2013, was superseded by a starting component on the capital account. When the insured event occurs, the benefits are paid out as a lump sum, in installments or – as is normally the case due to the expected amount of the benefits – as a pension. The retirement benefits are adjusted in accordance with Section 16 of the German Company Pensions Law (*Betriebsrentengesetz – BetrAVG*) once retiree status occurs and benefit payments are to commence.

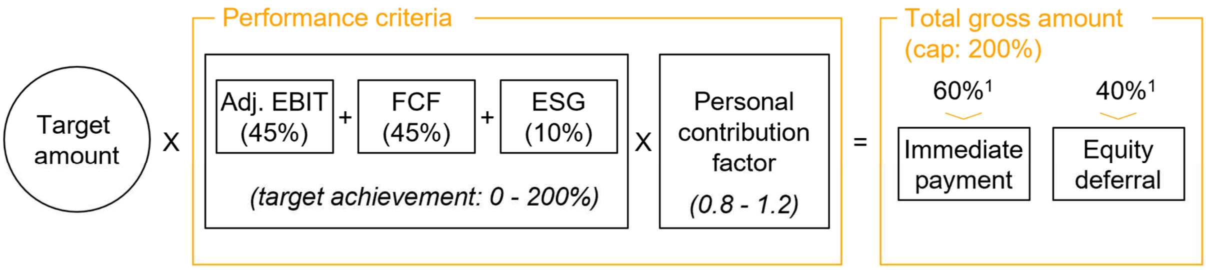
2. Variable remuneration components

2.1. Short-term incentive (performance bonus - STI)

2.1.1. How it works

The STI is a variable remuneration component that creates incentives to achieve Continental's operating targets. The amount of the payout is dependent on overall target achievement in the defined performance criteria and can range between 0% and 200% of the individual target amount agreed with each Executive Board member in their employment contract. Thus, it is possible that no STI is paid at all.

How the performance bonus works (STI)



1 Net amount: from the net inflow of the performance bonus, shares of Continental with a value of 20% of the total gross amount of the performance bonus must be purchased and held for a period of three years; the corresponding gross amount was calculated assuming a tax and contribution ratio of 50% flat.

2.1.2. Performance criteria

The selection of performance criteria is intended to incentivize Executive Board members to create value and to achieve or outperform the targets set. The amount of the STI to be paid depends on the extent to which an Executive Board member meets the targets set for them by the Supervisory Board. Target achievement for the STI is measured on the basis of the financial performance criteria of adjusted EBIT (45% weighting) and free cash flow (FCF) (45% weighting), as well as the non-financial performance criteria consisting of ESG targets (10% weighting), linked by way of addition. Target achievement in respect of the performance criteria is multiplied by the personal contribution factor (PCF).

a. Adjusted EBIT

EBIT reflects the results of ordinary business activities and is used to assess operating profitability. The STI is determined on the basis of adjusted EBIT so that operating profitability is measured independently of non-recurring effects and the Executive Board is incentivized to increase this profitability further. Adjusted EBIT is one of Continental's main internal KPIs and is reported in the Annual Report and in other financial communications.

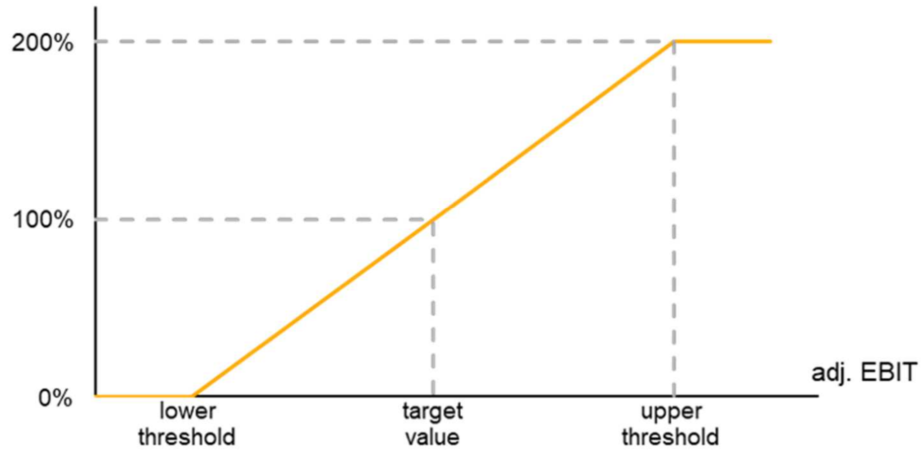
The financial performance criterion of adjusted EBIT is based on earnings before interest and tax, adjusted for amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation and special effects (hereinafter "adjusted EBIT"). Special effects include:

- Impairment on goodwill, other intangible assets, and property, plant and equipment
- Income and expenses from restructuring measures
- Gains and losses from disposals of companies and business operations

- Significant special factors from exceptional occurrences, particularly one-off effects from acquisitions of companies and business operations (e.g. negative goodwill, purchase price reimbursements) or substantial changes to the company structure (e.g. spin-off effects).

During a given fiscal year, the Audit Committee reviews as part of its scheduled meetings the adjustments that have made to EBIT and reasons for such adjustments. After close of the fiscal year, it recommends to the Supervisory Board the extent to which adjusted EBIT can be used as a basis for target achievement in the STI, in consideration of the adjustments made. Where necessary, it recommends to the Supervisory Board the inclusion or exclusion of special effects and their value-based consideration. Using the recommendation of the Audit Committee as a guide, the Supervisory Board makes a decision on the extent to which adjusted EBIT can be used as a basis for Executive Board remuneration and, in turn, for target achievement in the STI. The performance criterion of adjusted EBIT is intended, on the one hand, to reflect the overall responsibility of the Executive Board members for the company and to promote cooperation between the group sectors, and on the other, to fulfill the requirements for independent management of the respective areas of the business. For an Executive Board member whose area of responsibility covers the Continental Group as a whole (e.g. CEO, CFO), target achievement for adjusted EBIT is measured solely based on the key figures determined for the Continental Group. For an Executive Board member whose area of responsibility covers a group sector, target achievement for the performance criterion of adjusted EBIT is measured based on the key figure determined for the Continental Group and for the group sector (50% each).

To calculate the target achievement of adjusted EBIT, at the start of each fiscal year the Supervisory Board defines both a target value and the thresholds (lower and upper) for the Continental Group and/or group sectors, in consideration of prevailing planning. The range for target achievement is 0% to 200%. The degree of target achievement is calculated linearly between 0 and 200% by comparison with the respective actual value for the fiscal year.

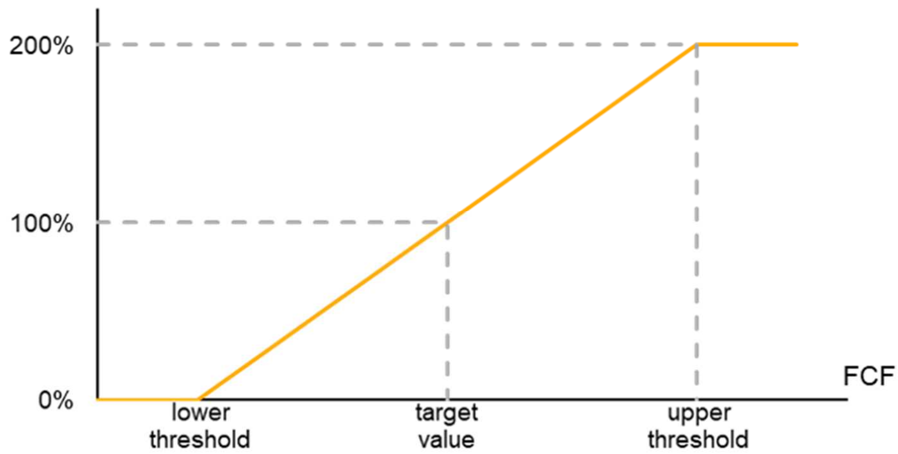


b. Free cash flow

The second financial performance criterion, free cash flow, is another important KPI for Continental and is used to assess financial performance. Free cash flow is cash flow before financing activities, adjusted for cash inflows/outflows from sales and acquisitions of companies and business units (hereinafter “free cash flow”).

Target achievement for the performance criterion of free cash flow is measured for all Executive Board members on the cash flow of the Continental Group as a whole.

To calculate the target achievement of free cash flow, the Supervisory Board defines both a target value and the thresholds (lower and upper) at the start of each fiscal year. The range for target achievement is 0% to 200%. The degree of target achievement is calculated linearly between 0 and 200% by comparison with the respective actual value for the fiscal year.



c. Non-financial performance criteria based on ESG targets

Given the crucial importance of the topic of sustainability within the Continental Group, ESG targets are implemented alongside financial performance criteria to determine the STI. The range for target achievement is again 0 % to 200 %. The Supervisory Board has anchored the topic of integrity as a target within the ESG targets for fiscal 2024. The Supervisory Board reserves the right to apply other key ESG targets for Continental within the scope of the STI in years ahead.

Target achievement for the non-financial performance is measured for all Executive Board members on the basis of the Continental Group as a whole.

When defining the ESG targets, the Supervisory Board pays particular attention not only to the availability of necessary data at group level and the quality of data and its comparability over time, but also to how the achievement of these targets is influenced by management performance. Moreover, target achievement should be verifiable in the context of the audit of the company’s non-financial statement. The Supervisory Board will also take care to ensure that the ESG targets of the STI and of the LTI complement each other as effectively as possible and are not counted twice.

d. Personal contribution factor (PCF)

The personal contribution factor (PCF) gives the Supervisory Board another method at its disposal to take account of the individual or collective performance of the Executive Board using a further set of performance criteria that are decisive for operational implementation of the corporate strategy, e.g. from the areas:

- Market development and customer focus (e.g. new markets, new product or customer segments)
- Implementation of transformation projects (e.g. spin-off, portfolio adjustment, reorganization, increase in efficiency, strategic alliances)
- Organizational and cultural development (e.g. promotion of corporate values, agility and ownership, strengthening of internal cooperation and communication, succession planning, employer branding)

- Environmental protection, social and governance (ESG)

These performance criteria can be defined by the Supervisory Board at the start of a given fiscal year. The Supervisory Board ensures that the performance criteria set within the scope of the PCF are transparent and verifiable. After the end of the fiscal year, the Supervisory Board assesses the performance of the individual Executive Board members based on the set performance criteria, and determines a value between 0.8 and 1.2.

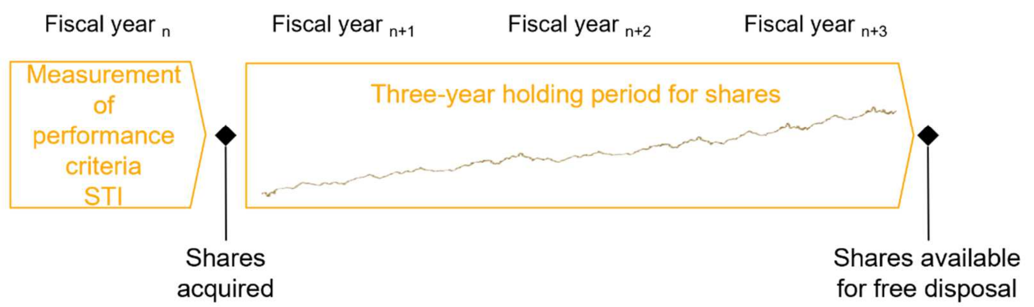
If the Supervisory Board has not set any performance criteria targets for an Executive Board member with the scope of PCF, the PCF value is 1.0.

2.1.3. Payout and equity deferral

After close of a given fiscal year, the weighted target achievement from the performance criteria of adjusted EBIT, FCF and ESG are multiplied by the individual target amount. This figure is multiplied, in turn, by the defined PCF value, which gives the total gross amount of the STI.

The Executive Board is obligated to invest 20% of the total gross amount (generally corresponding to around 40% of the net payout amount) in Continental shares and to hold these shares legally and economically for a period of at least three years from the day of acquisition. The remaining amount is paid out to the Executive Board member.

How the equity deferral works



The acquisition of the shares is carried out by an external service provider in a defined time period though settlement and provision of the amount, taking into account the currently applicable statutory regulations, especially the statutory rules governing insider trading and directors' dealings (Article 7 et seqq., Art. 19 of the Market Abuse Directive (*Marktmissbrauchsversordnung*)). Shares acquired as equity deferral are credited against the Executive Board member's obligation to acquire Continental shares in accordance with the share ownership guideline.

2.1.4. No special or recognition bonus

Without prejudice to the regulation outlined in Section 87a (2) sentence 2 *AktG* (see section VII below), the Supervisory Board cannot award a special or recognition bonus. The only possibility is payment of a sign-on bonus to compensate for financial consequences with respect to the previous employer (see section IV.3. below).

2.2. Long-term incentive (LTI)

2.2.1. How it works

The long-term variable remuneration is structured as a virtual performance share plan with a four-year term. The performance shares are allocated in rolling tranches that begin each year.

In the service agreement, the Supervisory Board agrees, as part of the process for determining the target total remuneration, to an allotment value in euros for the LTI with each member of the Executive Board. The Executive Board members are allocated a preliminary number of virtual shares on this basis (basic holding). The number of virtual shares allocated on a preliminary basis is calculated from the individual allotment value of an Executive Board member, divided by the average closing price of the Continental share in Xetra trading on the Frankfurt Stock Exchange in the 30 trading days before start of the term.

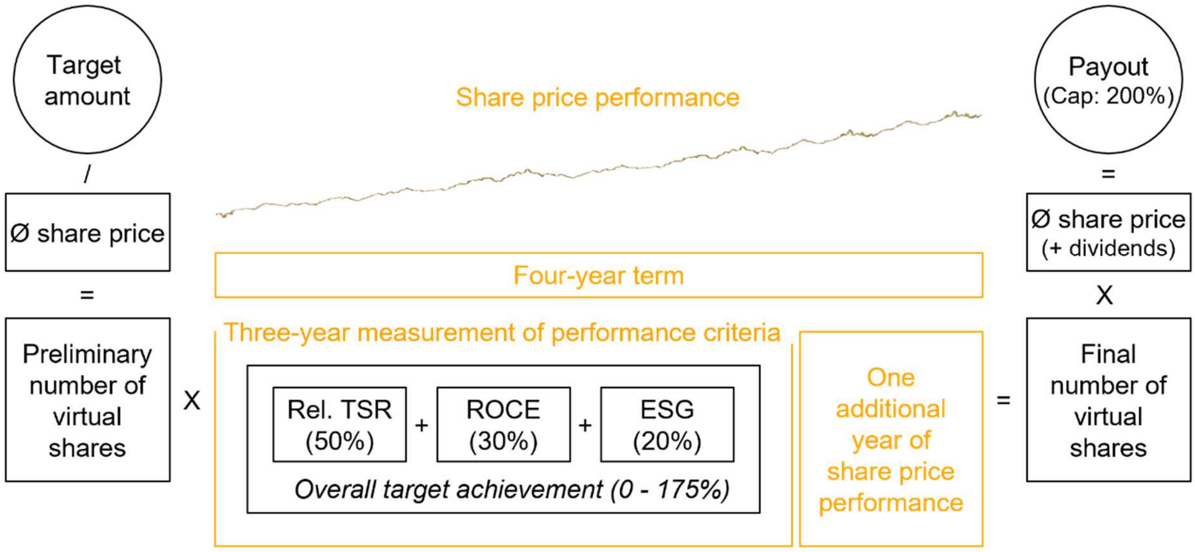
Payment of the virtual shares is dependent on three performance criteria defined by the Supervisory Board in advance and measured over a period of three years (relative total shareholder return (relative TSR), return on capital employed (ROCE) and ESG targets), as well as on the performance of the Continental share over four years. The Supervisory Board reviews the achievement of the performance criteria on the basis of the audited consolidated financial statements and non-financial statement of the Continental Group for the third fiscal year of the term of the LTI. The potential target achievement range in the performance criteria is 0% to 150% for the relative TSR, and 0% to 200% for ROCE and the ESG targets.

In a first step, the virtual shares allocated on a preliminary basis at the start of the plan are converted after a period of three years into the final number of virtual shares, depending on the overall target achievement of the performance criteria. For this purpose, the performance index (hereinafter “PI”) is first determined by adding together the weighted target achievement for the financial performance criteria (relative TSR and ROCE) and the weighted target achievement for the non-financial sustainability criterion. Multiplying the basic holding of virtual shares by the PI gives the final number of virtual shares (final holding).

After another year has passed, the payout amount is determined by multiplying the final holding by the payout ratio. The payout ratio corresponds to the sum of the average closing prices of the Continental share in Xetra trading on the Frankfurt Stock Exchange in the last 30 trading days prior to the end of the four-year term and the dividends paid per share during the four-year term.

The final payout amount is capped at 200% of the allotment value. The amount due under the LTI is not paid out until the total term of a tranche has expired and therefore more than four years after the start of the plan.

How the long-term incentive (LTI) works



2.2.2. Performance criteria

Overall target achievement of the performance criteria is measured 50% on performance of the relative TSR, 30% on ROCE and 20% on ESG targets.

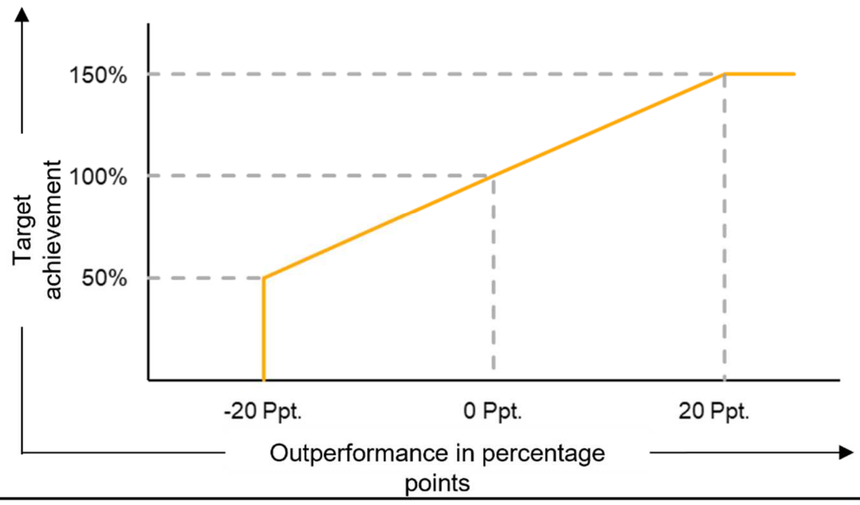
a. Relative total shareholder return (TSR)

The relative TSR is measured on the basis of the performance of the Continental share compared with the performance of the STOXX® Europe 600 Automobiles & Parts (WKN: A1CRF2; ISIN: CH0102633101) (hereinafter “comparison index”). The purpose of the relative TSR is to incorporate a performance target that specifically reflects the interests of shareholders and provides an incentive to outperform relevant competitors on the capital market.

The relative TSR is determined, in comparison to competitors, as the difference in percentage points between the TSR of the Continental share and the TSR of the comparison index. To balance out possible short-term fluctuations in the share price, the average closing price in the first month of the term and the average closing price in the last month of the three-year term are used.

If the Continental TSR equals that of the comparison index, the degree of target achievement is 100%. If the Continental TSR beats the TSR of the comparison index by 20 percentage points or more, the degree of target achievement is 150%. If the Continental TSR trails the TSR of the comparison index by 20 percentage points, the degree of target achievement is 50%. If the shortfall is more than 20 percentage points, the degree of target achievement is 0%. Target achievement in the ranges between these percentage thresholds is determined using linear interpolation.

Relative TSR: target achievement curve



The Supervisory Board may adjust the comparison index for measuring the TSR as appropriate. For example, in the place of the STOXX® Europe 600 Automobiles & Parts, the Supervisory Board may use another suitable industry index or a comparison group compiled separately and comprising relevant competitors. However, the comparison index may only be adapted during a tranche in progress if the comparison index defined at the start of the period in question can no longer be used, for example because it is no longer available.

The Supervisory Board determines appropriate regulations in the event of any changes to the share capital of Continental AG, the stock exchange listing of Continental shares or the comparison index that have a significant impact on the Continental TSR or the comparison index TSR.

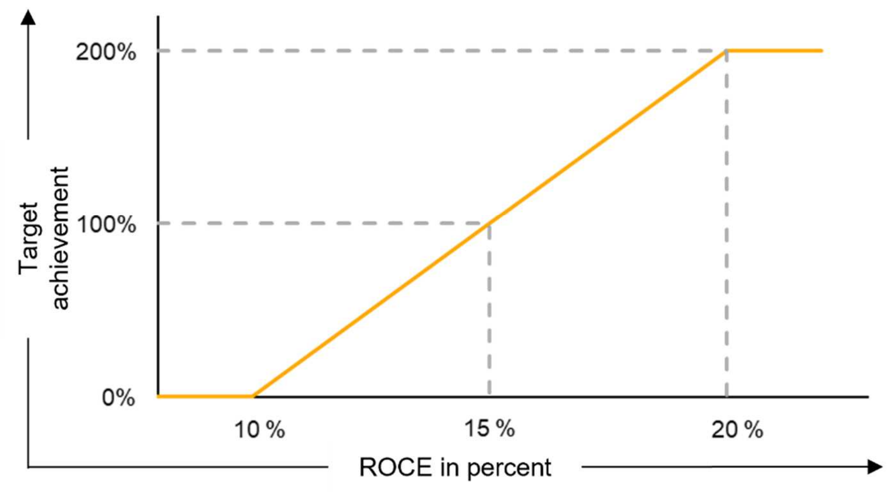
b. Return on capital employed (ROCE)

ROCE is the ratio of EBIT (adjusted for goodwill impairment as well as gains and/or losses from the disposal of parts of the company) to average operating assets. ROCE is an important KPI for Continental and creates incentives to improve capital efficiency.

At the start of a tranche, the Supervisory Board defines a target value as well as a lower and upper threshold, on which basis a target achievement between 0% and 200% can be reached. Target achievement in the ranges between these percentage thresholds is determined using linear interpolation. Target achievement is reviewed after three years of the term of the LTI on the basis of the audited consolidated financial statements for the third fiscal year of the ongoing LTI. Target achievement is measured by comparing the actual value for ROCE on December 31 of the third year of the term with the target value defined by the Supervisory Board for the respective tranche.

For the 2024 – 2027 tranche, the following target achievement curve is applied based on the target value defined by the Supervisory Board and the lower and upper thresholds.

ROCE: target achievement curve



c. Non-financial performance criteria of sustainability (ESG targets)

ESG aspects are accorded high priority in Continental's business activities and are an integral component of its corporate strategy. Against this backdrop, a non-financial sustainability criterion consisting of ESG targets within the scope of the LTI is linked by way of addition to the other performance criteria and measured with a weighting of 20%. This is intended to create even stronger incentives for Continental's long-term and sustainable growth.

The Supervisory Board addresses the sustainability strategy, sustainability targets and sustainability ambitions of Continental when determining the ESG targets as well as their target value, and also takes their gradual further development into consideration.

Before the term of a tranche begins, the Supervisory Board sets measurable and quantifiable ESG targets. The Supervisory Board generally chooses between one and up to four ESG targets for a tranche. The individual targets concerned are derived from Continental's corporate and/or sustainability strategy and are relevant for supporting and implementing the strategy. If multiple ESG targets are selected, the Supervisory Board also specifies their weightings in relation to one another before the term of a tranche begins. The ESG targets thus selected can relate to one or several areas from environment, social or governance. When defining the sustainability targets, the Supervisory Board pays particular attention not only to the availability of necessary data at group level and the quality of data and its comparability over time, but also to how the achievement of these targets is influenced by management performance. Moreover, target achievement should be verifiable in the context of the audit of the company's non-financial statement. The Supervisory Board will also take care to ensure that the ESG targets of the STI and of the LTI complement each other as effectively as possible and are not counted twice.

The Supervisory Board has defined the following three ESG targets for the 2024 - 2027 tranche:

ESG targets for tranche 2024 - 2027

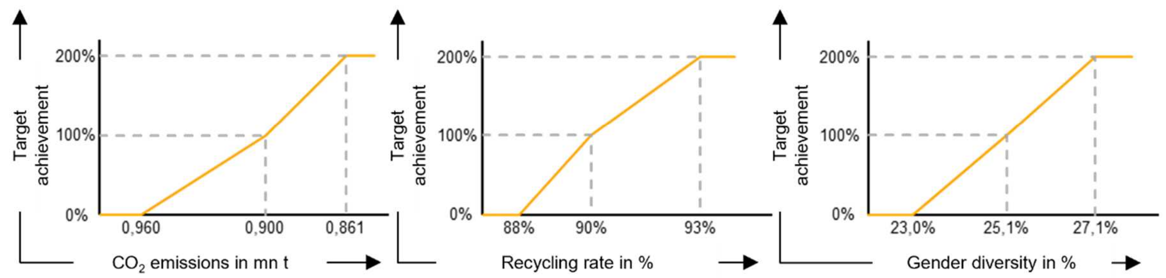
Reduction in CO_2 emissions	Recycling rate	Diversity

The selected ESG targets are derived from the corporate strategy and exhibit a high relevance for Continental. By reducing CO_2 emissions, Continental intends to make a contribution toward carbon neutrality and use energy efficiency measures and new technologies to cut emissions output to a minimum. The recycling rate incentivizes the recovery of resources and the transformation to a fully circular economy. Diversity for the purposes of target achievement under the LTI is interpreted as a balanced gender ratio between women and men in management positions, and the path to achieving this ratio is incentivized accordingly.

For each ESG target, the Supervisory Board specifies a target value that corresponds to 100% target achievement, as well as a lower threshold representing 0% target achievement and an upper threshold representing 200% target achievement. Target achievement in the ranges between these percentage thresholds is determined using linear interpolation.

For the 2024 – 2027 tranche, the following target achievement curves are applied based on the target values defined by the Supervisory Board and the lower and upper thresholds.

ESG targets: target achievement curves



3. Sign-on Bonus

The Supervisory Board may award members appointed to the Executive Board for the first time a sign-on bonus for the purposes of attracting and recruiting qualified candidates to the Board. This serves solely to compensate for any claims to remuneration with the previous employer that were lost by switching to Continental (for example, promises of long-term variable remuneration).

4. Share ownership guideline (SOG)

To promote even closer alignment with the interests of shareholders, each Executive Board member is obliged to invest a minimum amount in Continental AG shares and to hold such shares during his or her term of office and for a further two years after the end of his or her appointment and termination of his or her employment contract. The minimum amount to be invested by each member of the Executive Board is based on their agreed gross annual base salary. The minimum amount is 200% of the annual base salary for the CEO, and 100% of the annual base salary for the ordinary Executive Board members. In order to fulfill the holding obligation, all of the company shares held by the Executive Board members are taken into account, including in particular those which are part of the equity deferral. For the duration of the mandatory holding period, a member of the Executive Board may neither pledge Continental shares acquired in accordance with the share ownership guideline nor otherwise hold them.

5. Penalty and clawback provisions

So-called penalty and clawback provisions are implemented as part of the contractual agreements.

5.1 Compliance penalty and clawback provision

If a member of the Executive Board acting in his or her function as an Executive Board member demonstrably and knowingly commits a gross violation of his or her duty of care pursuant to Section 93 *AktG*, or of any basic principle of conduct required by the internal guidelines enacted by the company, or any other duties and obligations required under his or her employment contract, the Supervisory Board is entitled, at its duty-bound discretion, to reduce the STI that is to be granted for the fiscal year in which the gross violation took place, either partially or completely to zero. The same applies to an LTI if the gross violation took place in the first fiscal year of the term for the same (hereinafter jointly "compliance penalty provision").

If the STI and/or LTI was already paid out at the time of the reduction decision, the Supervisory Board is entitled to claim back the net payout amounts received that exceed what they should be in accordance with the reduction decision, at the reasonable discretion of the Executive Board member (hereinafter "compliance clawback provision"). The company is also entitled in such cases to offset issued bonus payments against other remuneration due to the Executive Board member.

5.2 Performance correction and clawback provision

If it becomes apparent that the data underlying the calculation of the STI and/or LTI was inaccurate, e.g. in the event of inaccurate consolidated financial statements or inaccuracies in other calculations or analyses relevant to the amount of the variable remuneration, the Supervisory Board can correct all elements determined for the variable references that are based on the inaccurate data accordingly (hereinafter "performance correction"). If the STI and/or LTI was already paid out at the time of a performance correction, the Supervisory Board can claim back the net payout amounts received that exceed what they should be, at the reasonable discretion of the Executive Board member affected (hereinafter "performance clawback provision"). The company is also entitled in such cases to offset issued bonus payments against other remuneration due to the Executive Board member.

5.3 Claims for damages

Any claims for damages by Continental against the Executive Board member, in particular arising from Section 93 (2) *AktG*, remain unaffected by the agreement of a penalty, correction or clawback provision.

V. Remuneration-related Transactions

1. Term of employment contracts

With respect to the appointment of the Executive Board members and to the term of the Executive Board contracts, the Supervisory Board complies with the stipulations of Section 84 *AktG* and with the recommendations of the *DCGK*. For a first-time appointment to the Executive Board, the duration of the appointment and of the term of the employment contract is generally three years. In the case of re-appointments or an extension to the term of office, the maximum term of the employment contract is five years. If a member's appointment to the Executive Board is temporarily revoked subject to a commitment to re-appoint them at a later date pursuant to Section 84 (3) *AktG* (pause of mandate), the Supervisory Board may come to an agreement with the Executive Board members in question allowing them to receiving individual remuneration components during the period their term of office is interrupted.

The employment contracts do not make any provisions for an option of regular termination; the mutual right to extraordinary termination of the employment contract for good cause remains unaffected. If an Executive Board member becomes permanently incapacitated for work during the term of the employment contract, the employment contract ends on the date on which the permanent incapacity for work was determined.

2. Premature termination of the employment contract

In the event of premature termination of the employment contract without good cause, any payments to the Executive Board member pending agreement, including additional benefits, must neither exceed twice the annual remuneration (severance cap), nor constitute remuneration for more than the remaining term of the employment contract. Calculation of the severance cap must be based on the total remuneration for the past fiscal year and, where applicable, also the expected remuneration for the current fiscal year.

If the employment relationship of an Executive Board member ends without good cause before the end of the first fiscal year of an LTI tranche, the Executive Board member is entitled to a reduced LTI *pro rata temporis*. If the employment relationship of an Executive Board member ends without good cause following the end of the first fiscal year but before the end of the term of an LTI tranche, the Executive Board member retains his or her claim to the full LTI.

In the event of premature or regular termination of the contract, both the STI and the payout amount from the LTI are paid out at the agreed times and are not brought forward. Early payment is excluded.

If the employment relationship is terminated for good cause, all entitlements to payouts from the STI or LTI lapse in full.

3. Post-contractual non-compete covenant

A post-contractual non-compete covenant is agreed with Executive Board members for a duration of two years. Over this period of time, appropriate compensation (compensation for non-competition) is granted at an amount of 50% of the most recently contractually agreed benefits each year. Any severance payment is to be offset against the compensation for non-competition.

4. Change of control

The remuneration system makes no special provisions for the event of a change of control or severance payment commitments.

5. Secondary activity and offsetting against remuneration

Secondary activities must be notified to the Supervisory Board before commencing the activity. They require the prior approval of the Supervisory Board insofar as the secondary activity could affect the company's interests. The same applies to accepting mandates or comparable functions at companies outside the Group.

If an Executive Board member accepts a mandate at a group company, any separate remuneration that may be paid for such a mandate will be offset against the Executive Board remuneration.

If the mandate is exercised for an entity outside the Group, the Supervisory Board will decide, at its duty-bound discretion, whether and to what extent this remuneration is to be offset against the Executive Board remuneration. Special consideration is given in this regard to the extent to which the activity is in the interests of the company or of the Executive Board member.

VI. Procedure for Defining, Reviewing and Implementing the Remuneration System and Defining and Reviewing the Remuneration Amounts

1. Defining and implementing as well as reviewing the remuneration system

The Supervisory Board determines the remuneration system for Executive Board members in accordance with the statutory provisions of Sections 87 (1) and 87a (1) *AktG*. The Supervisory Board is supported in this task by its Chairman's Committee. This committee develops recommendations on the system for remunerating Executive Board members, taking into account the specified guidelines as well as the *DCGK* recommendations in the latest applicable version, on which the Supervisory Board will confer in detail in reaching its resolution. The Chairman's Committee and Supervisory Board can call in external consultants as required, which will be changed periodically. When commissioning these consultants, their independence from the Executive Board and the company will be ensured. The applicable provisions of the *AktG* and the *DCGK* as well as of the Supervisory Board By-Laws for addressing conflicts of interest within the Supervisory Board will also be observed during the procedure for determining, implementing and reviewing the remuneration system.

The remuneration system passed by the Supervisory Board will be presented to the Annual Shareholders' Meeting for approval. Should the Annual Shareholders' Meeting not approve the relevant remuneration system put to the vote, a revised remuneration system will be presented for approval at the next Annual Shareholders' Meeting at the latest, in accordance with Section 120a (3) *AktG*.

The Chairman's Committee will arrange the regular review of the remuneration system for Executive Board members by the Supervisory Board. The Supervisory Board will recommend changes to the system as required. Upon each significant change to the remuneration system, but at least every four years, the remuneration system will be presented to the Annual Shareholders' Meeting for approval in accordance with Section 120a (1) sentence 1 *AktG*.

2. Determining the target total remuneration and its appropriateness

The Supervisory Board will determine the amount of the target remuneration for each of the Executive Board members in accordance with the remuneration system. The underlying principle is that the respective remuneration is commensurate with the tasks and performance of the relevant Executive Board member, as well as with the company's situation, does not exceed the customary remuneration without specific grounds and is aligned with the long-term and sustainable development of Continental. It uses both a horizontal as well as a vertical comparison to assess whether the remuneration is customary.

2.1. Horizontal comparison

When performing a horizontal comparison of the individual target overall remuneration, the companies that make up the DAX in particular are used as the primary comparison group, taking into account the criteria of country, size and industry as they pertain to Continental's market position.

2.2. Vertical comparison

When defining the individual target overall remuneration of the members of the Executive Board, the Supervisory Board gives consideration to the remuneration and employment conditions of Continental employees. For this purpose, the Supervisory Board performs a vertical comparison to the average remuneration of the senior management as well as to the average remuneration of the entire workforce at Continental. The senior management includes, as defined by the Supervisory Board, the management levels below the Executive Board of Continental within the Continental Group, which in accordance with the internal job classification system belong to the senior executives grouping. The remaining workforce specifically includes executives, as also defined by the internal job classification system, as well as the group of non-pay-scale employees and the group of pay-scale employees.

In addition to the relationship between the remuneration of the Executive Board and that of the comparison groups, the Supervisory Board also considers within the scope of its examination how this relationship has developed in recent years.

In the case of major shifts in the relationship between the remuneration of the Executive Board and that of the comparison groups, the Supervisory Board investigates the underlying causes and, if no reasons are identified justifying the shift, reserves the right to adjust the Executive Board remuneration.

Furthermore, the Supervisory Board ensures that the remuneration system for the Executive Board, on the one hand, and the remuneration system for the senior management, on the other, set incentives geared to the same objectives, especially with regard to the variable remuneration components, and that the systems are thus aligned with one another. The consistency of the remuneration system in terms of structure and methodology is, for example, a primary criterion of the Group remuneration strategy.

3. Differentiation according to requirements profile

When setting the target overall remuneration, the Supervisory Board may give commensurate consideration to the functions and areas of responsibility of the individual Executive Board members. Therefore, function-specific differentiations are permitted at the duty-bound discretion of the Supervisory Board, in which criteria such as customary market practice and experience of the respective Executive Board member and are to be taken into consideration.

VII. Deviation from the remuneration system in the event of exceptional developments

1. Consideration of exceptional developments

In accordance with the recommendation of the German Corporate Governance Code, the Supervisory Board reserves the right, at the prior proposal of the Chairman's Committee, to take appropriate account of significant exceptional developments as part of the variable remuneration. In rare special situations, this can lead to both an increase and a decrease in target achievement and thus the corresponding amounts paid out as variable remuneration.

Exceptional developments in this sense occur when circumstances have arisen that were not foreseeable at the time the target values were set and render them invalid. General positive or negative market trends expressly do not constitute exceptional developments.

In the event of an adjustment to the amounts paid out as variable remuneration, details on the adjustments are provided in the Remuneration Report for the following year, including an explanation of the reasons.

2. Temporary deviations from the remuneration system

Pursuant to Section 87a (2) sentence 2 *AktG*, the Supervisory Board has the authority to temporarily deviate from the remuneration system if this is in the interests of the long-term well-being of the company; the remuneration of the Executive Board member remains aligned to the sustainable and long-term development of the company, and the financial performance of the company is not impaired. This is particularly the case if the long-term profitability of the company is impaired or in the event of exceptional and far-reaching impairments to the general economic conditions (for example due to a severe economic or financial crisis or war), which render invalid the original target criteria and/or financial incentives of the remuneration system, insofar as these or their specific effects were not foreseeable at the time the remuneration system was determined. General positive or negative market trends expressly do not constitute such impairments.

The components of the remuneration system which can be deviated from are the procedure, the provisions on the remuneration structure, as well as the individual remuneration components, including the payout amounts derived from these. Should an adjustment of the existing remuneration components be insufficient for restoring the incentivizing effect of the Executive Board member's remuneration, the Supervisory Board is entitled under the same conditions to temporarily grant additional remuneration components or offer the promise of additional remuneration components in the event of such developments.

A deviation from the remuneration system or the addition of remuneration components is only possible through an associated Supervisory Board resolution upon prior recommendation by the Chairman's Committee, which ascertains the necessity of a deviation or addition and the reasons for it.

In the event of a temporary deviation from the remuneration system, details on the deviations made are provided in the following year's Remuneration Report, including an explanation of why the deviations were considered necessary, along with information on the specific components of the remuneration system that were affected by the deviation.

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