

The LOYALTY PARTNER SOLUTIONS 2024 Bonus Plan

The 2024 Bonus Plan describes the procedure and conditions of the performance review process and the bonus calculation for the year 2024; it applies to all employees of Loyalty Partner Solutions GmbH.

Targets

Target agreement:

We distinguish between GLC Scorecard (group-wide targets), LPS Scorecard (company targets), value creation- (customer and account alignment) and individual targets.

In order to determine the variable compensation (performance bonus) in 2024 all the aforementioned targets are taken into account, except the individual targets. The individual targets are primarily the base for personal and professional development of the employees. However, the fulfilment has no influence on the performance bonus.

The GLC & LPS Scorecard, as well as the value creation targets are defined by the management at the beginning of the year. The value creation targets focus on the streams NewBiz, Deutsche Bahn, Miles & More, LMS International and are made up of various KPIs - including targets in terms of revenue and results, as well as professional and operational targets at the level of value creation.

The individual targets are agreed upon between a people manager and an employee within the time frame specified by the company for the calendar year, or within 6 weeks of a new employee joining the company; they are jointly documented in the HR Self Service Portal.

Maximum bonuses / weighting of targets:

The bonus values to be achieved as a percentage of the base salary and the weighting of the individual target groups differ depending on hierarchy level:

Hierarchy level	Maximum bonus related to annual base salary	Weighting of GLC Scorecard	Weighting of LPS Scorecard	Weighting of value creation targets	Weighting of individual targets
Employees	20%	15%	35%	50%	0%
TL, FR, PL	20%	20%	40%	40%	0%
AL, R, SPL	20% oder 30%	25%	45%	30%	0%
BL	40% oder 50%	30%	50%	20%	0%

Evaluation of the targets:

The respective degree of target achievement of the GLC Scorecard, LPS Scorecard and the value creation targets is evaluated as excellent, overachieved, achieved, conditionally achieved, and not achieved. The evaluation is made for the full year 2024. The assessment of target achievement with regard to the individual targets does not play a role in determining the performance bonus.

Target corridor for measurable (financial) GLC Scorecard, LPS Scorecard und value creation targets:

For the measurable (mostly financial) targets the GLC and LPS management will define a target corridor that makes sense for the respective target.

Bonus

Bonus calculation:

An employee's actual bonus is determined based on the cumulative results of the GLC Scorecard, the LPS Scorecard and the value creation targets.

The evaluation of the target achievement on the basis of the GLC Scorecard, the LPS Scorecard and the value creation targets is done by the management.

The evaluation also takes into account a calibration of all value creation streams among each other. The bonus can then be determined on the basis of the weighted target achievement according to the table below.

The final bonus decisive for the payout may be higher or lower than the calculated bonus, since calibrations are made at different levels and colleagues and in the review meetings with the Personnel Committee at the end of the year, and a differing bonus may be applied.

A recommendation is brought by the People Manager to the LPS Personnel Committee, which decides on possible exceptional cases across the LPS.

Evaluation/degree of target achievement	Achieved % value related to maximum bonus
Excellent	100%
Overachieved	80%
Achieved	60%
Conditionally achieved	30%
Not achieved	0%

Example:

Exemplary calculation for an employee with maximum bonus 20% before calibration.

	Weighting	Degree of achievement	Calculation
GLC Scorecard	15%	Achieved = 60%	$15\% \times 60\% = 0,09$
LPS Scorecard	35%	Achieved = 60%	$35\% \times 60\% = 0,21$
Value Creation Target	50%	Overachieved = 80%	$50\% \times 80\% = 0,40$
			Total = 70%
20% max. Bonus $\times 0,70 = 0,14$ or 14% Bonus (always mathematically rounded)			

Bonus payout

All employees joining the company in a given year are entitled to receive a bonus re the respective year, according to the rules and regulations set out in this bonus plan.

All employees who have passed their probationary period by June 30, 2024 will receive a half-year advance payout of their annual bonus in July. The amount of the payout is determined based on the business results from Management for all companies.

The amount of the year-end bonus is then calculated from the bonus percentage achieved after calibration for the entire year in relation to the cumulative annual base salary actually obtained. The latter may deviate from the contractual annual base salary (e.g. due to “inactive” periods such as parental leave, sabbatical, etc.). The amount of the advance payout made in July is deducted from the calculated annual bonus. The year-end bonus is paid out at the end of the calendar year.

For all new joiners at “employee” and “team lead level”, who have successfully passed the probationary period, a bonus of at least 12% is guaranteed for the first 12 months of employment. Post 12 months of employment, this guarantee is forfeited.

Performance Review Process Procedure

When?	What?
By end of February*	Definition and communication of GLC Scorecard, LPS Scorecard and Value Creation Targets
By end of February*	Target agreement between employees and people manager on the basis of the Review Sheets in the HR Self Service Portal
June/July	Intermediate feedback discussions between employees and people manager focusing on personal development
July	Advance payout of bonus
October/ November	Individual review discussion and evaluation of targets and competencies between employees and people manager using the HR Self Service Portal. Supervisors propose individual bonus percentage rates for employees. Calibration of the bonus proposals per division.
November	In the review meeting, Management presents the division results to the Personnel Committee and discusses the employees who stand out from the average performance. For these, the Committee decides on bonus amounts and possible salary increases, etc.
December	Communication of results to employees and bonus payout

*Time can be determined differently by the company