

## **Description of the Remuneration System for the Management Board**

Pursuant to Section 120a (1) of the German Stock Corporation Law (AktG), the Shareholders' Meeting of a listed company shall resolve on the approval of the remuneration system for Management Board Members presented by the Supervisory Board whenever there is a significant change to the remuneration system, or at least every four years. This provision was recently added to the AktG by the German Act on Implementing the Second Shareholders' Rights Directive (ARUG II). The first resolution must be adopted by the end of the first ordinary Shareholders' Meeting held after December 31, 2020.

The Supervisory Board proposes that the remuneration system for the Management Board of SUSS MicroTec SE presented below and resolved by the Supervisory Board be approved.

On February 4, 2021, the Supervisory Board of SUSS MicroTec SE resolved the following remuneration system for the Management Board of SUSS MicroTec SE. The remuneration system implements the amended regulatory requirements on Management Board remuneration in accordance with the German Act on Implementing the Second Shareholders' Rights Directive (ARUG II).

### **I. Main Features of the Remuneration System**

Against the background of regulatory amendments, the Supervisory Board of SUSS MicroTec reviewed the remuneration system for the Management Board and extended it where necessary. In this context, strategy orientation will be further enhanced and sustainability aspects will be added.

#### **Strategy Orientation**

The Management Board remuneration system in its entirety makes a significant contribution to promoting and implementing the business strategy of SUSS MicroTec. This is ensured by defining performance criteria related to the long-term and sustainable success of the Company and linking them with ambitious annual and multi-year targets. The short-term variable remuneration is primarily based on the financial performance criteria of sales and net income for the fiscal year. The long-term variable remuneration is based on the financial performance criteria of sales growth and return on capital employed, among others. This promotes the focus on organic growth, profitability, and return on investment in the Management Board's activities.

#### **Performance Orientation**

The remuneration system is designed to provide adequate and ambitious performance incentives for Management Board Members. The variable, performance-related remuneration components represent a significant proportion of the total remuneration if 100 percent of the targets

are achieved. The individual remuneration of each Management Board Member is therefore proportionate to his or her duties and performance as well as to the situation of the Company.

### **Sustainability**

A key aspect of the business strategy of SUSS MicroTec is the long-term and sustainable development of the Company. In order to link remuneration to the long-term development of SUSS MicroTec, long-term variable remuneration makes up a significant portion of the total remuneration and exceeds short-term variable remuneration. By integrating sustainability targets into short-term variable remuneration, social and ecological aspects are also taken into account, thereby promoting sustainable action within the Company. This is in line with the clear focus on emerging technologies and the strategy of achieving a leading position in the relevant markets through organic growth.

### **Capital Market Orientation**

The interests of shareholders are taken into account in a special way through the share-based structure of long-term variable remuneration in the form of a performance share plan and the integration of the total shareholder return (TSR) performance criterion based on the development of the share price of SUSS MicroTec compared to the TSR of two indices. In addition, the interests of the Management Board, employees, customers, and other important stakeholders were always kept in mind when developing the new remuneration system for SUSS MicroTec.

### **Clarity and Comprehensibility**

Finally, clarity and comprehensibility were important criteria when revising the remuneration system. The new remuneration system of SUSS MicroTec follows the requirements of the German Stock Corporation Act as amended by ARUG II. In addition, the recommendations of the GCGC 2020 are taken into account.

## **II. Procedures for Determining, Implementing, and Reviewing the Remuneration System**

The remuneration system for the Members of the Management Board is determined by the Supervisory Board of SUSS MicroTec in accordance with the statutory requirements and taking into account the recommendations and suggestions of the most current version of the German Corporate Governance Code. The Supervisory Board is supported in this by its Personnel Committee. The Personnel Committee of SUSS MicroTec is responsible for developing proposals regarding the Management Board remuneration system, which it submits to the Supervisory Board for discussion and resolution. The Supervisory Board and the Personnel Committee may seek external advice if necessary, in particular for issues relating to the formulation of the remuneration system and assessing the appropriateness of the remuneration. When hiring external remuneration consultants, their independence is considered. The Supervisory

Board has engaged the services of an independent external consultant to develop this remuneration system.

The remuneration system resolved by the Supervisory Board will be submitted to the Shareholders' Meeting for approval. If the Shareholders' Meeting does not approve the system presented, the Supervisory Board will present a revised remuneration system for approval at the latest at the following ordinary Shareholders' Meeting.

Based on the system approved by the Shareholders' Meeting, the Supervisory Board determines the specific target total remuneration for each Management Board Member in accordance with Section 87 (1) of the German Stock Corporation Law (AktG). In addition, the Supervisory Board defines the specific performance criteria for the sustainability target on an annual basis and sets the target values for the short and long-term performance criteria.

To ensure appropriate, competitive remuneration in line with the market, the Supervisory Board reviews the remuneration system and the remuneration amounts for the Management Board on a regular basis, and at least every two years.

As part of the review, an analysis and assessment of the conformity of the Management Board remuneration with the horizontal (comparison with the Management Board remuneration in other companies) and vertical (remuneration and employment conditions within SUSS MicroTec) market situation is performed. Companies comparable to SUSS MicroTec are used to assess horizontal conformity. The aim here is to achieve geographical and industry comparability as well as comparability in terms of company size. The remuneration levels of the Management Board, upper management, and employees within SUSS MicroTec are used to assess vertical conformity. Both current ratios and how the ratios have developed over time are considered here. The upper management of SUSS MicroTec is defined as the first level below the Management Board.

The regular review of the Management Board remuneration system by the Supervisory Board is prepared by the Personnel Committee. If necessary, changes to the remuneration system may be resolved by the Supervisory Board. The remuneration system will be resubmitted to the Shareholders' Meeting for approval whenever significant changes are resolved, or at least every four years.

In the process of determining, implementing, and reviewing the remuneration system, the Supervisory Board takes into account the applicable regulations for avoiding and dealing with (potential) conflicts of interest.

### III. Components of the Remuneration System

#### A. Overview of the Remuneration Components

The remuneration system for Members of the Management Board of SUSS MicroTec consists of remuneration components both independent of performance as well as based on performance. The remuneration independent of performance consists of basic remuneration and fringe benefits. The remuneration based on performance consists of a short-term and a long-term variable remuneration component. Of these, the short-term variable component (short-term incentive – STI) has a one-year term, while the long-term variable component (long-term incentive – LTI) takes the form of virtual performance shares with a term of four years – consisting of a three-year performance period followed by a one-year lock-up period.

Remuneration component	Description	
Remuneration independent of performance		
Basic remuneration	<ul style="list-style-type: none"> <li>Fixed annual salary (paid in 12 monthly installments)</li> </ul>	
Fringe benefits	<ul style="list-style-type: none"> <li>Primarily company cars and contributions to insurance</li> </ul>	
Remuneration based on performance		
Short-term variable remuneration (STI)	Plan type	<ul style="list-style-type: none"> <li>Target bonus</li> </ul>
	Performance criteria	<ul style="list-style-type: none"> <li>40% sales</li> <li>40% net income for the fiscal year</li> <li>20% sustainability target</li> </ul>
	Payout limit (cap)	<ul style="list-style-type: none"> <li>200% of the target amount</li> </ul>
	Duration	<ul style="list-style-type: none"> <li>1 year</li> </ul>
Long-term variable remuneration (LTI)	Plan type	<ul style="list-style-type: none"> <li>Virtual performance share plan</li> </ul>
	Performance criteria	<ul style="list-style-type: none"> <li>1/3 return on capital employed (ROCE)</li> <li>1/3 sales increase</li> <li>1/3 relative total shareholder return (TSR)</li> </ul>
	Payout limit (cap)	<ul style="list-style-type: none"> <li>300% of the target amount</li> </ul>
	Duration	<ul style="list-style-type: none"> <li>3 years and a 1-year lock-up period</li> </ul>
Others		
Malus and clawback	<ul style="list-style-type: none"> <li>Withholding and/or reclaiming of variable remuneration components in the event of a breach of statutory or contractual obligations or obligations arising from the articles of incorporation of the Company or the Company bylaws for the Management Board, or if payment is made based on incorrect data.</li> </ul>	
Special bonus	<ul style="list-style-type: none"> <li>Possibility to pay special bonuses, which may not exceed 1.5 times the basic remuneration</li> </ul>	

Maximum remuneration	<ul style="list-style-type: none"> <li>▪ Limit on the total remuneration granted to the Management Board as a whole for one fiscal year of € 5.8 million for up to three Management Board Members and € 7.5 million for four Management Board Members</li> <li>▪ Limit of 2.7 times the target total remuneration at the level of individual Management Board Members</li> </ul>
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The target total remuneration comprises the sum of the remuneration components independent of performance and based on performance. To determine the target total remuneration, the STI and LTI are included with a target achievement of 100%. In accordance with the recommendation of the GCGC 2020, the target remuneration of the long-term variable component exceeds the target remuneration of the short-term variable component. The following table shows the shares of remuneration components in the target total remuneration:

Remuneration component	Share of the target total remuneration *
Basic remuneration	~ 40–60%
Fringe benefits	~ 1–5%
Short-term variable remuneration (STI)	~ 15–30%
Long-term variable remuneration (LTI)	~ 20–35%

*\* The Supervisory Board has narrowed the remuneration ranges for newly appointed Management Board Members. These are ~ 40–50% for basic remuneration, ~ 1–5% for fringe benefits, ~ 20–30% for STI, and ~ 25–35% for LTI. The narrower remuneration ranges will also apply to all new Management Board Members appointed in the future.*

## B. Remuneration Independent of Performance

The remuneration independent of performance consists of the basic remuneration and fringe benefits.

### Basic Remuneration

The basic remuneration is a fixed cash payment for the fiscal year based on the duties and responsibilities of the respective Management Board Member in particular. It is paid in 12 monthly installments at the end of each month.

### Fringe Benefits

Every Management Board Member receives fringe benefits in the form of non-cash and other remuneration. These primarily include the provision of a company car that can also be used privately, as well as contributions and subsidies to insurance policies or the assumption of insurance premiums (including the Company's directors and officers liability insurance (D&O insurance) with a deductible in accordance with Section 93 (2) (3) of the German Stock Cor-

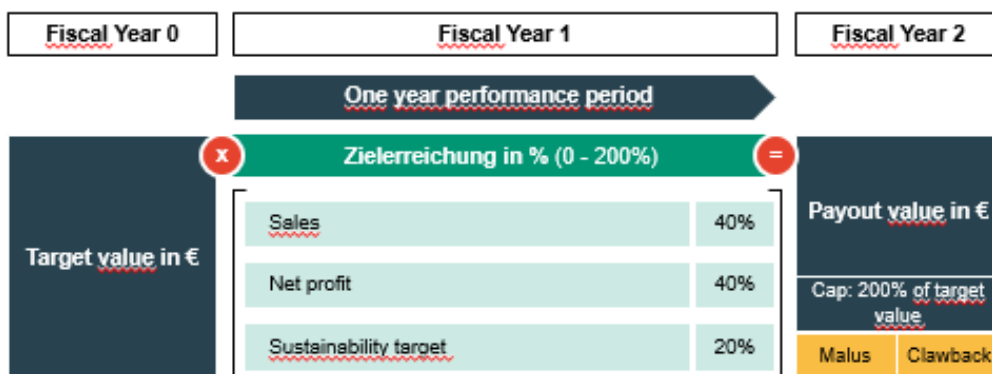
poration Law (AktG), contributions to health and long-term care insurance and accident insurance, which may also provide for a benefit to the heirs of the Management Board Member in the event of death). The Supervisory Board may grant other or additional fringe benefits customary in the market, such as the assumption of relocation costs for new hires. The type, amount, and duration of the non-cash benefits may vary according to the personal situation of the Management Board Members. Based on the maximum remuneration, a maximum amount for fringe benefits is set for each Management Board Member per fiscal year.

### C. Remuneration Based on Performance

The remuneration based on performance consists of a short-term and a long-term variable remuneration component. The short-term variable component has a one-year term, while the long-term variable component is structured as virtual performance shares with a term of four years – a three-year performance period followed by a one-year lock-up period. The formulation of these remuneration components, which are described in detail below, provides incentives for the implementation of the strategy of SUSS MicroTec and for the long-term and sustainable development of the Company.

#### 1. Short-Term Variable Remuneration (STI)

The goal of short-term variable remuneration is to reward the operational implementation of the business strategy. Two financial targets, sales (40%) and net income for the fiscal year (40%), and a nonfinancial sustainability target (20%) have been defined as key performance criteria in this context.



#### Financial Performance Criteria – Sales & Net Income for the Fiscal Year

This part of the STI is measured by the achievement of the two equally weighted financial performance criteria of sales and net income for the fiscal year, which are essential components of the corporate management of SUSS MicroTec.

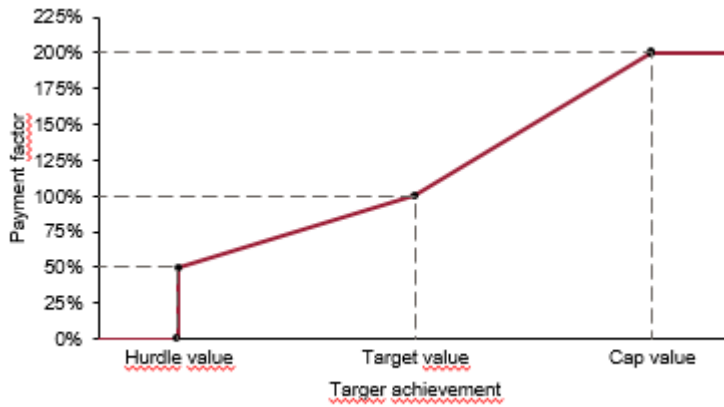
- **Sales:** Sales are those reported in the audited and approved consolidated financial statements. Sales are a significant indicator in the Company and represent the value of goods and services that the Company has achieved in a fiscal year. In order to remain competitive in the highly technical and specialized semiconductor industry, it is necessary to focus on sales and corresponding profitable growth since this is the only way to sustainably generate the necessary funds for investments and innovations. The strategy of SUSS MicroTec aims for a long-term increase in sales until 2025 and beyond and can be operationalized by integrating sales as a performance criterion in the STI.
- **Net income for the fiscal year:** Net income for the fiscal year is the net income reported in the audited and approved consolidated financial statements. The net income for the fiscal year is a direct derivative of sales and costs incurred by the Company in a fiscal year. Positive net income reflects the Company's earning power and therefore ultimately its attractiveness for (potential) equity investors. SUSS MicroTec is aiming for healthy long-term growth so that net income for the fiscal year should also increase steadily in line with sales. The use of net income for the fiscal year in the STI takes this objective into account.

Before the start of a fiscal year, the Supervisory Board sets ambitious targets (including threshold and cap values) for each performance criterion. The target values of the two financial performance criteria are derived from the budget planning approved by the Supervisory Board for the respective fiscal year.

Target achievement for the two financial performance criteria is determined by comparing the actual value achieved in the fiscal year with the target value. Target achievement is converted into a payout factor for each performance criterion using a bonus curve. If the target achievement is lower than the threshold, the payout factor for the performance criterion is 0%, meaning total failure to meet the financial targets is possible. If the target is achieved at the threshold level, the payout factor is 50%. If the actual value corresponds to the target value, the payout factor is 100%. If the target achievement is equal to or greater than the cap value, the payout factor of the financial performance criterion is 200%.

For the sales and net income targets, additional secondary conditions are integrated into the remuneration system that are based on break-even sales and break-even net income for the fiscal year. If these "minimum levels" are not reached, the achievement of the corresponding target is 0%, regardless of the target achievement determined using a bonus curve.

For the financial targets, the bonus curves are diagrammed as follows:



### Nonfinancial Performance Criterion – Sustainability Target

This part of the STI is measured by the achievement of the nonfinancial sustainability target. This is composed of up to two sustainability targets derived from the sustainability strategy of SUSS MicroTec. The inclusion of sustainability in the STI reflects the commitment of SUSS MicroTec to accept social and environmental responsibility as a company. Each year, the Supervisory Board defines up to two equally weighted sustainability targets underlying the assessment at its own discretion, which it selects from the following categories:

Categories for the Sustainability Target
Innovation/Research & Development
Market/Customers
Employees/Culture
Environment/Climate
Community/Social Issues

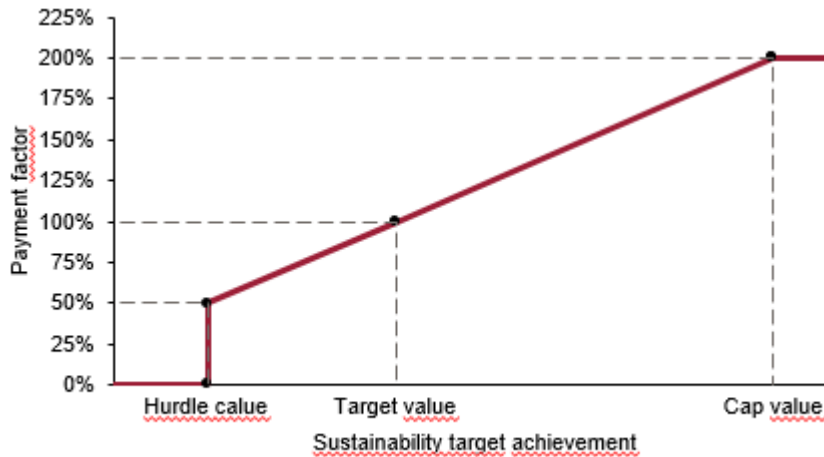
Before the start of a fiscal year, the Supervisory Board sets ambitious targets for each nonfinancial sustainability objective. The targets are based, among other things, on the operationalization of the SUSS MicroTec sustainability strategy. With regard to the targets determined by the Supervisory Board, a distinction must be made between quantitative and qualitative targets.

For each **quantitative sustainability target**, the Supervisory Board defines a threshold and a cap value in addition to the target value. Target achievement for quantitative sustainability targets is determined by comparing the actual value achieved for the respective sustainability target in the fiscal year with the target value. Target achievement is converted into a payout factor for each performance criterion using a bonus curve. If the target achievement is lower than the threshold, the payout factor for the respective performance criterion is 0 %, meaning



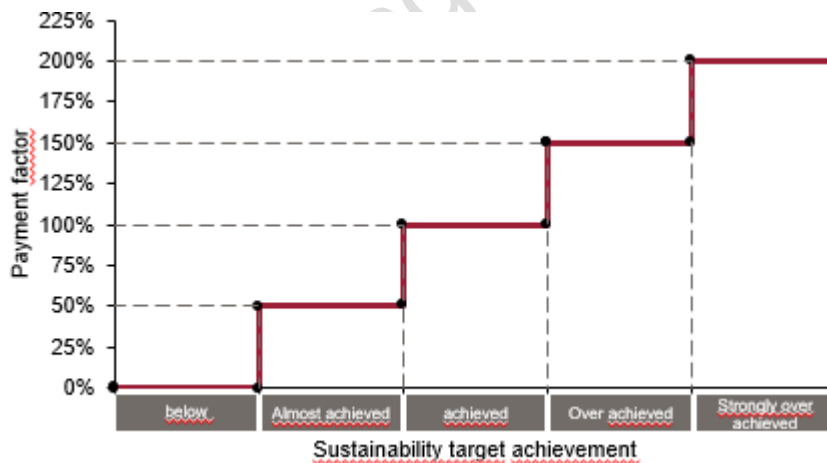
total failure to meet the sustainability targets is possible. If the target is achieved at the threshold level, the payout factor is 50%. If the actual value corresponds to the target value, the payout factor is 100%. If the target achievement is equal to or greater than the cap value, the payout factor is 200%.

For quantitative sustainability targets, the bonus curve is diagrammed as follows:



For each **qualitative sustainability target**, the Supervisory Board dutifully assesses target achievement after the end of the fiscal year at its own discretion. In doing so, the Supervisory Board can set target achievement at five levels. The corresponding payout factor can range from 0%, in the case of a missed target, to 200%, in the case of significantly exceeding the targets. Total failure to meet the sustainability targets is therefore possible.

The bonus curve for qualitative sustainability targets is diagrammed as follows:



The overall target achievement level ("overall target achievement") is calculated by multiplying the payout factors of the performance criteria by their respective weightings and then adding them together. To determine the payout amount, the overall target achievement is multiplied by the STI target amount, with the payout amount capped at 200% of the target amount.

A subsequent adjustment of the defined performance criteria or the target values for the performance criteria within the meaning of recommendation G.8 GCGC 2020 is excluded. It is possible for the Supervisory Board to take account of extraordinary developments to an appropriate extent (G.11 GCGC 2020). If the Supervisory Board makes use of this option, the reasons for an adjustment and its scope will be communicated in the remuneration report for the fiscal year.

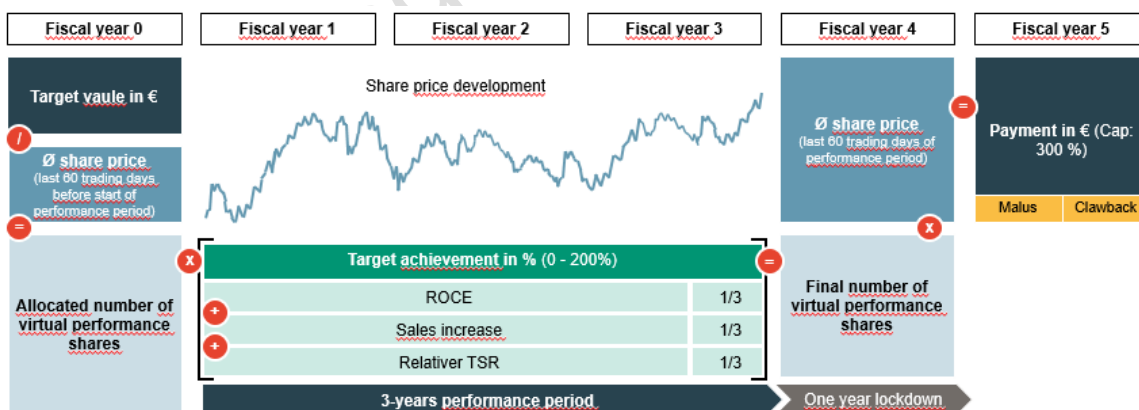
The STI is paid out in cash and is due for payment with the next ordinary salary cycle after approval of the consolidated financial statements of SUSS MicroTec.

If the Management Board service contract begins or ends in the current fiscal year, the target amount is reduced *pro rata temporis* to the date of the beginning or end.

## 2. Long-Term Variable Remuneration (LTI)

The LTI is intended to help promote the sustainable and long-term business development of SUSS MicroTec. In the remuneration system of SUSS MicroTec, this is done with a share-based approach using virtual performance shares (VPS). This capital market-oriented structure for the LTI links the interests of shareholders and Management Board Members even more closely. Overall, the incentive is created to increase the value of the Company on a long-term and sustainable basis.

The LTI is granted annually as a tranche in the form of VPS. The term of an LTI tranche is four years, comprising a three-year performance period followed by a one-year lock-up period.



The number of conditionally granted VPS is determined by dividing the target amount of the LTI by the average share price of SUSS MicroTec (mean of the closing prices in XETRA trading (or a comparable successor system) of Deutsche Börse AG over the last 60 trading days before the start of the performance period). The number of VPS can increase or decrease depending on the achievement of the two financial performance criteria (return on capital em-

ployed (ROCE) and sales growth) as well as a performance criterion based on the development of the share price (relative total shareholder return (TSR) compared to two peer groups). The three LTI performance criteria are equally weighted, with one third each going into the overall target achievement.

### **Financial Performance Criteria – ROCE & Sales Growth**

This part of the LTI is measured by the achievement of the two financial performance criteria ROCE and sales growth. Both performance targets promote the implementation of the business strategy of SUSS MicroTec and take into account the LTI's focus on the long-term development of the Company.

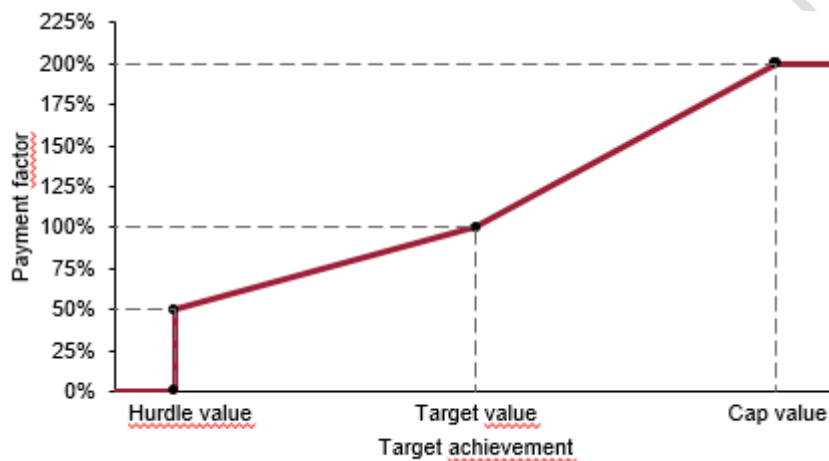
- **ROCE:** ROCE for the performance period is calculated as the equally weighted average of the actual ROCE values for the individual fiscal years in the performance period. The actual ROCE value for each fiscal year is calculated as the quotient of earnings before interest and taxes (EBIT) as reported in the audited and approved consolidated financial statements of the Company, the average capital employed based on the Quarterly Reports, and the audited and approved consolidated financial statements in the respective fiscal year. ROCE is an important profitability indicator that describes the return on capital employed. The individual components of ROCE are each strategically important key figures for the Company. The optimization of the individual components leads accordingly to an improvement in the ROCE and therefore to a better use of the capital employed in the Company. The average ROCE within the performance period is decisive for achieving the target.
- **Sales growth:** Sales growth refers to the increase in Group sales within the performance period and is measured as the compound annual growth rate (CAGR). In principle, the Company should grow at least as fast as the market volume of the reference markets over the cycle, since otherwise there is a risk of losing market share in the medium and long term. Only through sustainable sales growth can the Company succeed in maintaining its leading market position in the relevant target markets in the long term and generate sustainable positive cash flows and thus funds for investments such as innovations or research and development.

Before the start of a fiscal year, the Supervisory Board sets ambitious targets (including threshold and cap values) for each performance criterion for the respective new tranche. These values remain applicable throughout the three-year performance period of a tranche. The target value to be set by the Supervisory Board is based on the expected return on capital employed according to the business strategy (for the ROCE performance criterion) or on the strategically

planned sales growth (for the sales growth performance criterion) so that a high strategic relevance of the performance criteria can be ensured.

The Supervisory Board determines whether the financial performance criteria have been met after approving the consolidated financial statements for the final year of the performance period. Target achievement for the financial performance criteria is determined by comparing the respective actual value achieved during the performance period with the defined target value. Target achievement is converted into a payout factor for each performance criterion using a bonus curve. If the respective target achievement is lower than the threshold, the payout factor for the respective performance criterion is 0%, meaning total failure to meet the financial respective targets is possible. If the target is achieved at the threshold level, the payout factor is 50%. If the actual value corresponds to the target value, the payout factor is 100%. If the target achievement is equal to or greater than the cap value, the payout factor is 200%.

For the financial targets, the bonus curves are diagrammed as follows:



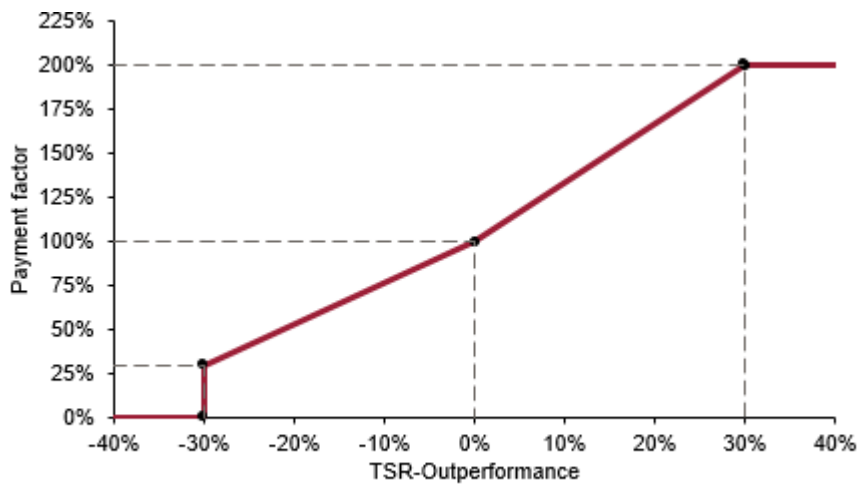
### Share Price-Based Performance Criterion – Relative TSR

The third performance criterion, relative total shareholder return (TSR), compares the TSR performance of SUSS MicroTec with the TSR performance of two peer groups, the Philadelphia Semiconductor Index as an international sector index, and the DAXsector Technology Index as a German index with a technology focus. The share-based provision of the LTI and the integration of a further share price-based performance criterion strengthen the alignment of interests between the Management Board Members and shareholders.

The calculation of target achievement is based on the TSR outperformance for SUSS MicroTec compared to the two benchmark indices. The outperformance corresponds to the difference between the TSR of the SUSS MicroTec share and the TSR of the respective peer group in percentage points. An identical TSR performance from SUSS MicroTec and the respective

benchmark index leads to a TRS outperformance of 0% and corresponds to a target achievement of 100%. The threshold of -30% means that the TSR performance of SUSS MicroTec is 30% below the index performance and corresponds to a payout of 30%.

In the case of an outperformance of +30% for SUSS MicroTec compared to the benchmark index, the payout is capped at 200%. The bonus curve is diagrammed as follows:



The payout factors determined based on the TSR outperformance versus the respective benchmark index are taken into account on an equally weighted basis when determining the final payout factor for the relative TSR.

To determine the overall target achievement in the LTI, the calculated payout factors of ROCE, sales growth, and relative TSR are each multiplied by 1/3 and added together, i.e., they are included in the overall target achievement with equal weight.

The final number of VPS will be determined after the end of the three-year performance period. For this purpose, the number of VPS conditionally granted at the beginning for the performance period is multiplied by the overall target achievement. The resulting final number of VPS is multiplied in the next step with the average share price of SUSS MicroTec (mean of the closing prices in XETRA trading or a comparable successor system of Deutsche Börse AG over the last 60 trading days before the end of the performance period) to determine the payout amount. The amount thereby designated for payment is not paid out until after a one-year lock-up period so that the total inflow does not occur until four years after allocation at the earliest. The payout amount is capped at 300% of the target amount.

The VPS are paid out in cash. The Supervisory Board is entitled to pay out the LTI in full or in part as no-par value shares in SUSS MicroTec instead of a cash payment. A subsequent adjustment of the defined performance criteria or the target values or comparison parameters for the performance criteria within the meaning of recommendation G.8 GCGC 2020 is excluded.

It is possible for the Supervisory Board to take account of extraordinary developments to an appropriate extent (G.11 GCGC 2020). If the Supervisory Board makes use of this option, the reasons for an adjustment and its scope will be communicated in the remuneration report for the fiscal year.

## **D. Miscellaneous**

### **1. Malus and Clawback**

The Supervisory Board has the option to withhold (malus) or reclaim (clawback) variable remuneration components in part or in full in the cases listed below.

In the event of at least one serious and culpable breach by the Executive Board Member of statutory or contractual obligations or obligations arising from the articles of incorporation of the Company or the Company bylaws for the Management Board, the Supervisory Board may, at its due discretion, reduce and retain variable remuneration components not yet paid out or reclaim variable remuneration components already paid out. An assertion of the clawback right is excluded if the breach of obligation dates back more than 10 years.

If variable remuneration components were wrongly paid out to the Management Board Member based on incorrect data, the Supervisory Board may, at its due discretion, demand the full or partial return of the difference resulting from the recalculation of the amount of variable remuneration compared to the amount paid out.

The clawback and malus rights shall also exist if the position or employment relationship of the Management Board Member has already ended at the time the clawback and/or malus rights are asserted. The Management Board Member may not appeal the fact that the reclaimed variable remuneration is no longer available in their assets. Claims by the Company for damages, in particular under Section 93 (2) (1) of the German Stock Corporation Law (AktG), the right of the Company to revoke the appointment pursuant to Section 84 (3) AktG, and the right of the Company to terminate the employment contract without notice (Section 626 (1) of the German Civil Code (BGB)) shall remain unaffected.

### **2. Special Bonus**

The Supervisory Board has the right to grant a special payment to the Management Board Members in the event of special circumstances or developments. For example, in order to

recruit qualified candidates for the Management Board, the Supervisory Board may grant Management Board Members appointed for the first time an appropriate sign-on bonus in line with market conditions, e.g., to offset forfeited compensation benefits from previous employment or service agreements. Similarly, a special bonus may be awarded, for example, as a result of significant changes in the corporate structure, e.g., through the acquisition or disposal of significant parts of the Company. The payout amount of special bonuses is limited to 1.5 times the basic remuneration.

### **3. Maximum Remuneration**

In addition to the caps at the level of the individual performance criteria and the variable remuneration components, the remuneration system includes a cap on the remuneration amount at the level of the Management Board as a whole and at the level of the individual Management Board Members. The total remuneration paid to the Management Board of SUSS MicroTec as a whole within one year may not exceed a value of up to € 5,800,000 for up to three Management Board Members. If a fourth Management Board Member is appointed, the maximum remuneration of the Management Board as a whole is € 7,500,000. The total remuneration of the Management Board as a whole consists of the sum of the fixed remuneration, fringe benefits, STI, LTI, and special bonuses paid to all Management Board Members. At the level of individual Management Board Members, this means that the total annual remuneration is capped at 2.7 times the target total remuneration for the respective year.

## **IV. Remuneration-Related Legal Transactions**

### **A. Duration of the Management Board Service Contracts**

The duration of the Management Board service contracts is linked to the length of appointment. The Management Board service contracts are concluded for the duration of the respective appointment. When appointing Management Board Members and concluding service contracts for Management Board Members, the Supervisory Board observes the requirements of Section 84 of the German Stock Corporation Law (AktG), in particular the maximum term of five years, and takes into account the recommendations of the German Corporate Governance Code. In the case of an initial appointment to the Management Board, the term of the appointment and the duration of the Management Board service contract are generally three years. In the event of a reappointment, provision may be made for (automatic) continuation of the service contract for the duration of the further term of office.

In accordance with the requirements of German stock corporation law, the Management Board service contracts do not provide for the possibility of ordinary termination. This does not affect the right of either party to terminate the Management Board service contract without notice for

good cause. In the event of a premature termination of the appointment, in particular by revocation of the appointment or resignation from office, the Management Board service contract shall also terminate automatically upon expiry of a termination period analogous to Section 622 (1) and (2) of the German Civil Code (BGB) without the need for notice of termination.

In the event of permanent incapacity of the Management Board Member, the Management Board service contract shall end without the need for termination at the end of the quarter in which the permanent incapacity was established. For the purposes of the service contract, permanent incapacity exists if a Management Board Member is expected to be permanently unable to perform the duties assigned to him or her without impairment. It is considered established if the incapacity lasts continuously for more than six months.

In the event of the death of a Management Board Member during the term of employment, the basic remuneration is (will continue to be) paid to the contractually defined surviving dependents in the month of death and for up to six months, but no longer than until the end of the term of the service contract (which would have occurred without the death of the Management Board Member).

#### **B. Benefits upon Termination of the Contract**

In the absence of good cause within the meaning of Section 626 of the German Civil Code (BGB), the payments to be made by the Company to the Management Board Member in the event of a premature termination of the appointment of a Management Board member and of the service contract shall be limited to two years' compensation (severance payment cap) and may not remunerate more than the remaining term of the service contract.

If the employment relationship of the Management Board Member ends as a result of termination for good cause within the meaning of Section 626 of the German Civil Code (BGB) or revocation of the appointment as Management Board Member for good cause within the meaning of Section 84 (3) of the German Stock Corporation Law (AktG) or as a result of termination or resignation of the Management Board Member without the consent of the Supervisory Board, the claims of the Management Board Member to the variable remuneration components not yet paid out shall expire without replacement or compensation.

The Supervisory Board may enter into a post-contractual non-competition agreement with Management Board Members for a period of up to two years. The termination compensation to be paid to the Management Board Member for the duration of the post-contractual non-competition agreement may not exceed 50 % per year of the last contractual fixed remuneration and STI remuneration received by the Management Board Member. Any severance payment shall be deducted from the termination compensation.



### **C. Change of Control**

There are no separate commitments in the event of premature termination of Management Board duties due to a change of control.

### **D. Joining or Leaving During the Year**

In the event of a Management Board Member joining or leaving the Company during the course of a fiscal year, the basic remuneration, the target amount of the STI, and the target amount of the LTI are reduced *pro rata temporis* in accordance with the length of service in the relevant fiscal year. Under certain circumstances, variable remuneration entitlements may expire without replacement depending on the reason for departure as described above.

### **E. Appointments and Secondary Employment of Management Board Members**

Any paid or unpaid secondary employment, such as accepting an appointment as a member of the Supervisory Board or Advisory Board, requires the prior written consent of the Supervisory Board. In its decision on whether to approve, in particular, the assumption of an external Supervisory Board appointment, the Supervisory Board shall also decide whether and to what extent any related remuneration is to be credited.

Separate remuneration is not provided for activities in companies affiliated with the Company, e.g., with regard to the performance of board functions in subsidiaries, and would otherwise be offset against the compensation of the Management Board Member in accordance with the recommendations of GCGC 2020.

### **V. Temporary Deviation from the Remuneration System in the Event of Extraordinary Circumstances**

In accordance with the statutory provisions of Section 87a (2) (2) of the German Stock Corporation Law (AktG), the Supervisory Board may temporarily deviate from the remuneration system if this is necessary in the interests of the long-term welfare of the Company. This includes, for example, a far-reaching change in the economic environment (e.g., due to a severe economic or financial crisis or a pandemic), a corporate crisis requiring special measures, or any other circumstances or events which, alone or together with other circumstances or events, significantly impair or even eliminate the basis of the remuneration system to the extent that an appropriate material incentive can no longer be provided or maintained for the Management Board Members (e.g., as a result of a significant change in corporate strategy or a significant change in the composition of the Group, for example, due to the acquisition or disposal of significant parts of the Company).

The extraordinary circumstances underlying and necessitating a deviation shall be determined by resolution of the Supervisory Board in a transparent and substantiated manner. The components of the remuneration system that may be deviated from in these exceptional cases are the procedure, the remuneration structure and amount, all individual remuneration components, and the maximum remuneration. The specific components of the remuneration system that have been deviated from are explained in the relevant remuneration report.

Non-Binding- English Translation