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**Remuneration system
for the members of the Management Board
of Nagarro SE**

1. Significant changes to the Executive Board remuneration system 2025

By law, the Supervisory Board is responsible for the resolution, implementation and review of the remuneration system for the members of the Management Board. The Supervisory Board of Nagarro SE last resolved an adjusted remuneration system for the members of the Management Board in 2024, which was approved by the Annual General Meeting on June 27, 2024.

The Supervisory Board regularly reviews the remuneration system. In doing so, the Supervisory Board takes particular account of the development of remuneration at peer group companies and recommendations from investors. On the basis of this year's review, the Supervisory Board decided to adjust the existing remuneration system for the members of the Management Board with effect from January 1, 2025, taking into account the requirements of Section 87a (1) AktG and the recommendations of the German Corporate Governance Code (GCGC). The adjusted remuneration system (hereinafter also referred to as the **"2025 remuneration system for the members of the Management Board"**) further develops the remuneration system last approved by the Annual General Meeting in 2024. In doing so, the Supervisory Board was guided by the need to align the remuneration system with the company's current strategy, to take the interests and requirements of all stakeholders into account as far as possible and to comply with current market standards.

Nagarro SE's remuneration system is designed to make a significant contribution to the implementation of the Company's business strategy. The business strategy of Nagarro SE as a listed holding company for the Nagarro Group is essentially aimed at continuously increasing the *shareholder value* of the Company. The Supervisory Board has therefore attached great importance to a simple and clear concept in the basic design and the adjustment of the remuneration system that has now been made.

In particular, the following significant changes were made to the remuneration system for members of the Executive Board as presented to the company's last Annual General Meeting on June 27, 2024:

Significant changes compared to the previous remuneration system	
Short-term variable remuneration:	<ul style="list-style-type: none"> ▪ Remuneration components: <ul style="list-style-type: none"> ▪ Organization bonus (unchanged): Quarterly bonus payment dependent on the performance of the Nagarro Group; the relevant performance criterion is the EBITDA (adjusted for special effects) of the Nagarro Group in the respective preceding quarter ▪ ESG bonus (amended): Annual bonus payment dependent on the achievement of certain ESG targets to be agreed in detail ▪ Individual bonus (new): Annual bonus payment, dependent on the achievement of targets agreed in individual contracts ▪ Basic amount: 25% of the annual basic salary (fixed salary) of the relevant Executive Board member if 100% of the target is achieved ▪ Weighting: <ul style="list-style-type: none"> ▪ Organization bonus: 75 % ▪ ESG bonus: 10 % ▪ Individual bonus: 15 %
Long-term variable remuneration:	<ul style="list-style-type: none"> ▪ Performance Based Restricted Stock Units (PB RSUs) (instead of - as before - share options) ▪ Performance period: Four years ▪ Performance criteria and weighting: <ul style="list-style-type: none"> ▪ Cumulative operating cash flow over the four-year performance period (50 %) ▪ Relative total shareholder return (development relative to the benchmark TecDAX or comparable successor index) (50 %) ▪ Vesting: <ul style="list-style-type: none"> ▪ Staggered over the four-year performance period at 25% in each case, subject to continued membership of the Management Board ▪ Special arrangements as resolved by the Supervisory Board, including in the event of death or retirement ▪ Settlement: Payment in cash or in shares at the discretion of the company

2. Key principles of the remuneration system 2025

The performance of the Management Board will continue to be rewarded primarily in line with the long-term development of the company. The Management Board therefore initially receives an annual **fixed salary and fringe benefits** commensurate with the size of the company, the responsibility assumed and the existence of a larger management team in the organizational structure of Nagarro SE.

As **short-term variable, performance-related remuneration**, the members of the Management Board receive a bonus payment if certain targets are achieved. The short-term variable remuneration now includes three components, firstly - as before - a quarterly, performance-related bonus payment ("organizational bonus") and an annual bonus payment dependent on the achievement of certain environmental, social and governance (ESG) targets ("ESG bonus"), and secondly - as a newly added component - an annual bonus payment dependent on the achievement of individually agreed targets ("individual bonus"). The payment of a **discretionary bonus** is no longer provided for in the adjusted 2025 remuneration system.

As a **long-term variable remuneration component**, the members of the Executive Board receive Performance Based Restricted Stock Units (PB RSUs) instead of share options, as was previously the case. In this way, the entrepreneurial orientation of the Executive Board towards the interests of shareholders in medium and long-term share price performance is to

continue. In this respect, the remuneration system creates a clear incentive for results-oriented and sustainable corporate management.

In accordance with the philosophy of the Nagarro Group, the remuneration of the Management Board should be in line with the market and competitive. The remuneration system should also give the Supervisory Board the opportunity to react flexibly to a changing economic situation of the company as well as to a changing market and competitive environment within a predefined framework. This is intended to create comprehensible and sustainable incentives for committed and successful corporate management. In its balance, the adjusted remuneration system is intended to contribute to a sustainable increase in the enterprise value of Nagarro SE with a long-term focus on growth, short-term management to at least a basic level of profitability and taking ESG targets into account. In particular, the share of long-term variable remuneration in the target total remuneration of the members of the Management Board significantly exceeds the share of short-term variable remuneration. This ensures that the adjusted remuneration system is focused on the long-term development and implementation of the company's business objectives.

The remuneration system for members of the Management Board is clear and comprehensible. It complies with the requirements of the German Stock Corporation Act and takes into account the main recommendations of the GCGC, unless the Management Board and Supervisory Board disclose and justify a deviation in the annual declaration of compliance in accordance with Section 161 AktG.

The adjusted remuneration system will apply with effect from January 1, 2025. In order to implement the changes under the Remuneration System 2025, the Supervisory Board will agree appropriate adjustments to the employment contracts of the current members of the Management Board on behalf of Nagarro SE. In addition, the Supervisory Board will implement the requirements of the 2025 remuneration system from the outset when concluding all new appointments and employment extensions in accordance with Section 87a (2) sentence 1 AktG by means of individual contracts with the relevant members of the Management Board.

3. Structure of the 2025 remuneration system and individual remuneration components

The remuneration of the members of the Management Board is made up of non-performance-related (fixed) and performance-related (variable) remuneration components. The sum of all remuneration components constitutes the total remuneration of the individual members of the Management Board.

The following overview summarizes the main components of the 2025 remuneration system:

Remuneration system 2025 for the members of the Management Board of Nagarro SE		
Fixed remuneration components	Basic salary (fixed salary):	<ul style="list-style-type: none"> Individual contractually agreed basic salary paid in twelve equal monthly installments
	Fringe benefits:	<ul style="list-style-type: none"> Usual additional benefits (insurance contributions, communication devices, company car, etc.)
Variable remuneration components	Short-term variable remuneration:	<ul style="list-style-type: none"> Cash bonus: <ul style="list-style-type: none"> <u>Organization bonus:</u> Quarterly bonus payment dependent on the performance of the Nagarro Group; the relevant performance criterion is the EBITDA (adjusted for special effects) of the Nagarro Group in the previous quarter (75%) <u>ESG bonus:</u> Annual bonus payment (10%) dependent on the achievement of specific ESG targets to be agreed in detail <u>Individual bonus:</u> Annual bonus payment dependent on the achievement of individually agreed targets (15 %) Basic amount: 25% of the annual basic salary (fixed salary) of the relevant Executive Board member if 100% of the target is achieved
	Long-term variable remuneration:	<ul style="list-style-type: none"> Performance Based Restricted Stock Units (PB RSUs) Performance period: Four years Performance criteria and weighting: <ul style="list-style-type: none"> Cumulative operating cash flow over the four-year performance period (50 %) Relative total shareholder return (development relative to the benchmark TecDAX or comparable successor index) (50 %) Vesting: staggered at 25% per year, special regulations in the event of death or retirement Settlement: Payment in full or in part in cash or in shares
Other essential components	Maximum remuneration:	<ul style="list-style-type: none"> Uniform for all members of the Executive Board: EUR 7 million
	Exceptional developments, deviation:	<ul style="list-style-type: none"> Possibility in accordance with recommendation G.11 DCGK to take account of extraordinary developments within an appropriate framework Option to deviate from the remuneration system in accordance with Section 87a (2) sentence 2 AktG
	Start-up services:	<ul style="list-style-type: none"> New members of the Management Board may be promised special payments by the company to compensate for disadvantages when they take up their position on the Management Board
	Commitments in connection with the termination of Management Board activities:	<ul style="list-style-type: none"> Severance payment in the event of premature termination of the employment relationship amounting to a maximum of two years' remuneration (severance payment cap), but not more than the remaining term of the employment contract No severance payment in the event of extraordinary termination of the employment relationship by the company for good cause In principle, no benefits in the event of premature termination of the employment contract by a Management Board member due to a change of control

In principle, the remuneration structure applies uniformly to all Management Board functions in line with the overall responsibility of the Management Board. Only with regard to the annual individual bonus and the ESG bonus will the Supervisory Board set individual targets for the individual members of the Management Board, as a differentiated incentive structure is required in view of the different fields of activity and business areas.

3.1 Non-performance-related remuneration

a. Basic salary (fixed salary)

The non-performance-related remuneration consists of a basic salary (fixed salary) and fringe benefits. A pension contribution is not granted.

The fixed salary is paid in twelve equal monthly installments less statutory duties at the end of the month. If a member of the Executive Board joins or leaves the company during the year, the fixed salary is paid *pro rata temporis*.

b. Fringe benefits

The contractually agreed fringe benefits essentially include customary additional benefits such as contributions to insurance policies (e.g. accident insurance for occupational accidents and accidents in daily life, liability insurance, industrial legal protection insurance and legal expenses insurance) as well as the provision of communication devices and a company car for business and private use. The value of the fringe benefits can vary annually depending on the person and event, but is limited to a maximum of 20% of the fixed salary. The fringe benefits and therefore the 20% limit do not include the reimbursement of expenses, to which members of the Management Board are already entitled by law, or inclusion in a D&O insurance policy in the interests of the company, whereby the Management Board member must bear the deductible stipulated by stock corporation law.

3.2 Short-term variable remuneration

In accordance with the Remuneration System 2025, the members of the Management Board receive short-term variable, performance-based remuneration (i) in the form of a quarterly organizational bonus, which depends on the operating performance of the Nagarro Group in the respective quarter, (ii) an annual ESG bonus, which depends on the achievement of certain ESG targets to be defined in detail, and (iii) an annual individual bonus, which depends on the achievement of certain targets agreed in individual contracts during the respective financial year. The basic amount of the short-term variable remuneration is 25% of the basic salary (fixed salary) of the respective Management Board member with 100% target achievement, whereby the organizational bonus is weighted at 75%, the ESG bonus at 10% and the individual bonus at 15%. The short-term variable remuneration generally accounts for around 7.58% of the target total remuneration of the Management Board members, whereby (i) around 5.685% of the target total remuneration relates to the organizational bonus, (ii) around 0.758% of the target total remuneration relates to the ESG bonus and (iii) around 1.137% of the target total remuneration relates to the annual individual bonus.

The three short-term variable remuneration components are presented in detail below:

a. Quarterly organization bonus

The members of the Executive Board receive a quarterly organizational bonus of 18.75% (75% x 25%) of their respective quarterly base salary (fixed salary). The organizational bonus is part of the quarterly organizational bonus program introduced throughout the Nagarro Group for the majority of Nagarro employees.

The relevant performance criterion for the organizational bonus is the EBITDA (adjusted for special effects) of the Nagarro Group in the respective preceding quarter according to the published Q1 figures for the first quarter, the Q2 figures from the respective half-year report for the second quarter, the published Q3 figures for the third quarter and the Q4 figures according to the consolidated financial statements approved by the Supervisory Board for the fourth quarter. Payment is made as shown below if the respective conditions are met:

- If - taking into account a payment of the full organizational bonus to all eligible Nagarro employees (including the members of the Management Board) - an adjusted EBITDA margin of 15.0% is achieved for the respective quarter, the eligible Nagarro employees, including the members of the Management Board, each receive the corresponding organizational bonus; for the members of the Management Board, this results in an organizational bonus of 18.75% of their respective base salary (fixed salary) based on a quarter. If the adjusted EBITDA margin of the Nagarro Group remains above 15.0%, the members of the Executive Board will receive a further payment up to a maximum amount which, under linear interpolation, corresponds to a maximum target achievement of 150% as long as the EBITDA margin of the Nagarro Group does not fall below 15.0%. This results in a possible maximum amount of the organizational bonus for each member of the Executive Board of 28.125% of the respective basic salary as follows: 75 % (weighting of the organizational bonus) x 25 % of the basic salary x 150 % (maximum target achievement) = 28.125 % of the basic salary of the respective Executive Board member.
- If an adjusted EBITDA margin of 15.0% is achieved for the quarter in question with pro rata payment of the respective organizational bonus, the eligible Nagarro employees, including the members of the Management Board, receive a corresponding pro rata organizational bonus.
- If an adjusted EBITDA margin of at least 15.0% is not achieved for the quarter in question, even if the organization bonus is paid on a pro rata basis, no organization bonus is due for the quarter in question.

b. ESG bonus

Independently of the organizational bonus described above, and in addition if applicable, the members of the Executive Board receive an annual ESG bonus. The basic amount of the ESG bonus is 2.5% (10% x 25%) of the basic salary (fixed salary) of the respective Executive Board member if 100% of the target is achieved.

The integration of non-financial environmental, social and corporate governance targets as components of the remuneration structure incentivizes sustainable and future-oriented action

and at the same time strives to create value for customers, employees and shareholders as well as the environment as a whole. By integrating ESG targets as non-financial performance criteria, the company's efforts to take sustainable account of key environmental, social and governance (ESG) issues are not only measurable, but also form part of the assessment of Executive Board remuneration.

Suitable ESG targets are set by the Supervisory Board as part of an annual target agreement with the members of the Management Board at its discretion, taking into account the materiality analysis from the areas of environment, social affairs and corporate governance, such as compliance targets, diversity targets or other targets relating to energy or the environment. Within this framework, the Supervisory Board also determines the weighting of the individual ESG targets and the further details, namely the target achievement curve for determining the respective degree of target achievement within a corridor of between 50% (minimum value) and 150% (maximum value). If a target achievement level of 100% is achieved within this corridor, the members of the Executive Board receive an ESG bonus of 2.5% (10% x 25%) of their respective basic salary (fixed salary), otherwise pro rata, i.e. linearly interpolated in accordance with the respective target achievement between 50% and 150% (cap). The exact structure of the ESG targets, in particular their weighting and the respective target achievement levels, are disclosed by the Supervisory Board in the remuneration report.

c. Individual bonus

Independently of the aforementioned organizational bonus and the ESG bonus, and in addition if applicable, the members of the Executive Board receive an annual individual bonus. Payment is made on the basis of a target agreement to be reached with the members of the Executive Board before the start of each financial year, which contains individual targets corresponding to the respective fields of activity and business areas of the individual Executive Board members. The targets are defined by the Supervisory Board and set out in the target agreement. In this respect, the Supervisory Board sets ambitious, qualitative targets which, in addition to operational targets, are primarily geared towards the strategic objectives of Nagarro SE and the Nagarro Group.

The basic amount of the individual bonus is 3.75% (15% x 25%) of the basic salary (fixed salary) of the respective Executive Board member if 100% of the target is achieved. In this respect, the Supervisory Board sets a target value in the target agreement for the respective target(s) that corresponds to 100% target achievement. In the target agreement, the Supervisory Board also defines a minimum value for each target at which the target achievement is 50%, a maximum value at which the target achievement is 150% and the target achievement curve between the minimum value and the maximum value, typically in the form of a linear interpolation. In the case of 50% target achievement, the individual bonus amounts to 1.875% of the basic salary; in the case of 150% target achievement, the individual bonus amounts to 5.625% of the basic salary. No individual bonus is paid below a target achievement of 50% (gate); target achievement above 150% is not possible (cap). The precise structure of the respective targets, namely their weighting and the respective degrees of target achievement, are disclosed by the Supervisory Board in the remuneration report.

d. Payment of the respective bonus components

The quarterly organizational bonus for the first and third quarter of each financial year is paid shortly after the publication of the respective quarterly figures. For the second quarter, the quarterly organizational bonus is paid shortly after the publication of the results for the first half of the year. The quarterly organizational bonus for the fourth quarter, the annual ESG bonus and the annual individual bonus are paid out in the following fiscal year shortly after the adoption and publication of the annual financial statements and consolidated financial statements of Nagarro SE and the Nagarro Group.

e. Maximum amount of short-term variable remuneration

The amount of the short-term variable remuneration per financial year, which is made up of the three components described above, is limited to a maximum total of 37.5% of the basic salary (fixed salary) of the respective Management Board member. In this respect, an organizational bonus amounting to a maximum of 28.125% of the basic salary, an ESG bonus amounting to a maximum of 3.75% of the basic salary and an individual bonus amounting to a maximum of 5.625% of the basic salary of the respective Management Board member can be achieved per financial year. This corresponds to the weighting of the organizational bonus of 75%, the ESG bonus of 10% and the individual bonus of 15% of the short-term variable remuneration, with a maximum possible target achievement of 150% in each case (25% of basic salary x 150% maximum target achievement).

3.3 Long-term variable remuneration (performance-based restricted stock units)

In accordance with the 2025 remuneration system, the members of the Executive Board receive Performance Based Restricted Stock Units (PB RSUs) as a long-term variable remuneration component. In this respect, the value of the long-term variable remuneration of the Executive Board members depends - in addition to certain financial performance criteria - directly on the company's share price at the time of payment, thereby linking the interests of the Executive Board members with those of the shareholders.

a. Structure of the long-term variable remuneration

The long-term variable remuneration generally accounts for around 60.65% of the target total remuneration of the Executive Board members. The number of PB RSUs to be allocated is determined by dividing the target amount of the long-term variable remuneration (*grant amount*) by the value of a share in the company on the allocation date, which is specified in the respective, typically annual *grant agreement*, and rounding down to the nearest whole number. The value of a share in the company on the grant date corresponds to the volume-weighted average price of the company's share in XETRA trading on the Frankfurt Stock Exchange on the last thirty trading days preceding the grant date.

The final number of PB RSUs depends on the achievement of certain financial performance criteria. At the end of the performance period of four years, the Supervisory Board determines the overall degree of achievement of the performance criteria and the resulting final number of PB RSUs to which the respective Executive Board member is entitled; the final number of PB RSUs is limited to 150% of the PB RSUs originally allocated.

Payment is made within a reasonable period after the end of the four-year performance period, i.e. generally slightly more than four years after the grant date in accordance with the *grant agreement*. The company may, at its discretion, deliver shares in the company in full or in part instead of a cash payment. The amount of the payment is based on the volume-weighted average market price of the company's shares in XETRA trading on the Frankfurt Stock Exchange on the last thirty trading days of the performance period. The payment is limited to the maximum remuneration less basic salary (fixed salary) including fringe benefits and the amount of short-term variable remuneration.

b. Performance criteria

The PB RSUs are subject to various financial performance criteria. In particular, the following performance criteria and their corresponding weighting are used for long-term variable remuneration:

Performance criterion	Weighting
Cumulative operating cash flow over the four-year performance period	50 %
Relative total shareholder return (development relative to the benchmark TecDAX or comparable successor index over the four-year performance period)	50 %
Total:	100 %

The development of the aforementioned financial performance criteria (i) cumulative operating cash flow and (ii) relative total shareholder return incentivizes the sustainable implementation of Nagarro SE's long-term corporate planning. A long-term increase in the aforementioned financial performance criteria is achieved through the consistent implementation of the business strategy of the company and the Group and is therefore the relevant benchmark for the long-term success of the company. In particular, the focus on the aforementioned performance criteria promotes long-term and sustainable corporate development and thus aligns the objectives of Management Board remuneration with the interests of shareholders.

The alignment of interests is also ensured by the fact that the long-term increase in the share price determines the amount paid out as long-term variable remuneration. In this respect, the share price-based structure of the PB RSUs also serves to focus on the long-term and sustainable development of the company and aligns the targets of the Executive Board remuneration with the interests of the shareholders.

(1) Performance criterion cumulative operating cash flow

For the performance criterion of cumulative operating cash flow, the total operating cash flow of the Nagarro Group during the four-year performance period is determined. In this respect, the Supervisory Board sets an ambitious target value before the start of the performance period, which is based on the strategic objectives of Nagarro SE and the Nagarro Group in addition to operational objectives. The target value corresponds to a target achievement of 100%. In addition, before the start of the performance period, the Supervisory Board sets a minimum value corresponding to a target achievement level of 50% and a maximum value corresponding to a target achievement level of 150%.

At the end of the performance period, the cumulative operating cash flow actually achieved is compared with the target value, the minimum value and the maximum value. If the value achieved is above the maximum value, target achievement is limited to 150% (cap). If the value achieved is below the minimum value, the target achievement for this performance criterion is zero. Target achievement between the defined target achievement points (minimum value, target value, maximum value) is interpolated linearly.

(2) Performance criterion relative total shareholder return ("TSR")

The performance criterion of the relative TSR includes a comparison of the TSR of the Nagarro share with the TSR of the TecDAX or a comparable successor index (in each case the "**benchmark index**"). The TSR refers to the share price performance plus notionally reinvested gross dividends during the four-year performance period. The benchmark index is determined uniformly for all members of the Management Board.

The ratio between the TSR of the Nagarro share ("**Nagarro TSR**") and the TSR of the benchmark index ("**Index TSR**") during the performance period is used to determine target achievement. The relevant start and end value of the Nagarro TSR is based on the volume-weighted average price of the share in XETRA trading on the Frankfurt Stock Exchange on the last thirty trading days before the start and end of the performance period; the (simple) average value is decisive for the index TSR. To determine the relative TSR, the Nagarro TSR is set in relation to the index TSR; if the Nagarro TSR fully corresponds to the index TSR, the target achievement is 100% (target value).

A range of +/-25.00% of the index TSR is used to determine the minimum value, which corresponds to a target achievement of 50%, and the maximum value, which corresponds to a target achievement of 150%. In the event of overperformance above the maximum value, target achievement is limited to 150% (maximum value) (cap). If the performance is below the minimum value, the target achievement for this performance criterion is zero. Target achievement between the defined target achievement points (minimum value, target value, maximum value) is interpolated linearly.

(3) Overall degree of target achievement and final number of PB RSUs

At the end of the four-year performance period, the Supervisory Board determines the overall degree of target achievement. The overall degree of target achievement corresponds to the sum of the respective degree of target achievement of the two performance criteria, i.e. the percentage target achievement values for each of the two performance criteria are added together in accordance with their respective weighting of 50%. The Supervisory Board determines the final number of PB RSUs based on the overall degree of target achievement of the performance criteria.

c. Vesting

The PB RSUs granted vest over the four-year performance period from the grant date in annual tranches of one quarter (25%) each. The prerequisite for this is the continued membership of the respective Executive Board member on the Executive Board of Nagarro SE. The details of vesting and other details are determined by the Supervisory Board as part of the *grant agreement*. Within this framework, the Supervisory Board may, in addition to other provisions, also stipulate special regulations in the event of death or the retirement of a member of the Management Board.

4. Determination of the target total remuneration, appropriateness test and components of the target total remuneration

a. Determination of the target total remuneration, review of appropriateness

Based on the 2025 remuneration system, the Supervisory Board determines the specific target total remuneration for each Executive Board member for the upcoming financial year as the sum of all remuneration components in the event of full target achievement. With regard to fringe benefits, the Supervisory Board may base its determination on appropriate estimates.

The Supervisory Board determines a target total remuneration that it considers to be appropriate, in line with the market and competitive. In particular, the target total remuneration is determined in such a way that it is commensurate with the duties and performance of the Executive Board member and the situation of the company and does not exceed the scope of customary remuneration without special reasons.

The Supervisory Board regularly uses a so-called "peer group comparison" to assess the appropriateness of the total remuneration of the members of the Management Board. This is a horizontal review of the appropriateness of Management Board remuneration based on a suitable peer group consisting of international companies with a comparable business model and companies listed in Germany of a comparable size in terms of sales, earnings and market capitalization. Furthermore, the Supervisory Board regularly reviews the appropriateness of Management Board remuneration within the company. For this vertical review, the Supervisory Board considers the ratio of Management Board remuneration to the remuneration of senior management and the Group-wide workforce as a whole, including its development over time. For this purpose, the Supervisory Board defines senior management in such a way that it comprises the top level (level 5.3, formerly level 6) throughout the Group.

b. Relative components of the target total remuneration

The relative shares of the individual remuneration components in the target total remuneration are shown below. Due in particular to the dependence of both short-term and long-term variable remuneration on certain performance criteria and long-term variable remuneration on the performance of the company's share price, the total remuneration actually paid out can deviate significantly from the target total remuneration, both upwards and downwards. Any upward deviation is limited both by the cap on total remuneration (maximum remuneration) and the additional limits for both short-term and long-term variable remuneration.

The target total remuneration for the members of the Management Board is made up as follows:

Compensation component	Share of the target total remuneration
Annual basic salary (fixed salary)	approx. 30,32 %
Fringe benefits	approx. 1,44 %
Short-term variable remuneration:	approx. 7,58 %
Long-term variable remuneration:	approx. 60,65 %
Target total remuneration	(rounded) 100 %

The annual basic salary (fixed salary) of the members of the Management Board corresponds to around 30.32% of the target total remuneration. As a further fixed salary component, fringe benefits of up to around 1.44% of the target total remuneration can also be granted. The short-term variable remuneration (organizational bonus, ESG bonus and individual bonus) corresponds to around 7.58% of the target total remuneration of the members of the Management Board, whereby (i) around 5.685% of the target total remuneration relates to the organizational bonus, (ii) around 0.758% of the target total remuneration relates to the ESG bonus and (iii) around 1.137% of the target total remuneration relates to the individual bonus. The share of long-term variable remuneration (PB RSUs) amounts to around 60.65% of the target total remuneration of the Executive Board members.

In accordance with recommendation G.6 of the GCGC, when determining the target total remuneration, the Supervisory Board ensures that the variable remuneration resulting from the achievement of long-term targets exceeds the share resulting from short-term targets. This ensures that the 2025 remuneration system for the members of the Management Board is focused on the long-term development and implementation of the company's business objectives.

5. Maximum remuneration

In accordance with Section 87a para. 1 sentence 2 no. 1 AktG, the Supervisory Board sets a maximum remuneration for the members of the Management Board. This relates to the total amount of fixed, non-performance-related remuneration actually paid out (basic salary/fixed amount), fringe benefits, any other benefits and the short-term and long-term variable

remuneration (inflow cap). It does not matter *when* the corresponding remuneration element is paid out, but *for which financial year* it is granted.

The maximum remuneration for a financial year for the respective Executive Board member therefore corresponds to the sum of the maximum inflows of all remuneration components granted to the respective Executive Board member in a financial year, whereby the time of inflow is irrelevant. The maximum remuneration is fixed for each member of the Management Board. The possible capping of the amount exceeding the maximum remuneration takes place at the time at which the variable remuneration would in principle be paid. The maximum remuneration for a financial year - regardless of whether it is paid out in the financial year in question or at a later date - is a uniform EUR 7,000,000.00 for all members of the Management Board.

The maximum remuneration does not represent the level of remuneration sought or deemed appropriate by the Supervisory Board, but merely an absolute maximum limit that can only be reached in the event of a very strong increase in the company's share price, which would also lead to a corresponding increase in shareholder value. When determining this amount, it was also taken into account that the vast majority of the remuneration of the members of the Executive Board is granted in the form of variable remuneration, the payout amount of which, however, is completely forfeited if the performance criteria are not met at the respective minimum value or, in the case of long-term PBRsUs, is in any case (significantly) lower than the relevant target amount if the relevant share price at the time of payout is (significantly) below the share price at the time the PBRsUs are granted. In this respect, the maximum remuneration reflects an appropriate balance of opportunities and risks.

In addition to the maximum remuneration, there are upper limits for the amounts paid out as part of the short-term variable remuneration and the long-term variable remuneration. The short-term variable remuneration is limited to 37.5% of the basic salary (fixed salary) of the respective Executive Board member (25% of basic salary x 150% maximum target achievement for all three bonus components), while the possible target achievement for the long-term variable remuneration is limited to a maximum of 150% and the payment is otherwise limited to the maximum remuneration less basic salary (fixed salary) including fringe benefits and the amount of the short-term variable remuneration.

6. Exceptional developments and deviation options

The criteria for measuring (short-term and long-term) variable remuneration and the targets and performance criteria set by the Supervisory Board before the start of the financial year are not changed during the course of the financial year. Subsequent changes to the assessment criteria or the target and performance criteria are also excluded.

In accordance with recommendation G.11 of the GCGC, the Supervisory Board has the option of taking extraordinary developments into account to an appropriate extent when determining the payout amounts of the organizational bonus and/or the ESG bonus and/or the individual bonus and/or the PBRsUs. Extraordinary developments are far-reaching and rarely occurring events, such as war, pandemics or other disasters, or significant business changes, such as company sales or acquisitions, which could not be foreseen when setting the targets and performance criteria for the variable remuneration components and which have a significant

impact on the total remuneration of the members of the Management Board. Generally unfavorable market developments are expressly not regarded as extraordinary developments in this context. In addition to adjusting the payment amounts of the variable remuneration components, the Supervisory Board may also adjust the ratio of the individual remuneration components to each other and the payment dates in the event of extraordinary developments and a correspondingly inappropriate level of remuneration, provided that the maximum remuneration set is not exceeded as a result. The Supervisory Board will disclose any adjustments and the underlying considerations in the remuneration report.

In addition, Section 87a para. 2 sentence 2 AktG allows the Supervisory Board to temporarily deviate from the remuneration system if this is necessary in the interests of the long-term well-being of the company and the remuneration system specifies the procedure for deviation and the components of the remuneration system from which deviation is permitted. In terms of procedure, such a deviation requires a resolution by the Supervisory Board in which the duration of the deviation, the deviation as such and the specific reason for it must be determined. The Supervisory Board may deviate from the following components of the remuneration system in substantive terms: Regulations on the procedure, remuneration structure and remuneration amount as well as individual remuneration components. In particular, the respective relative share of the individual remuneration components and their respective requirements may be deviated from and the basic salary (fixed salary) may also be temporarily set at a different level in individual cases if this is necessary in the interests of the long-term well-being of the company. Examples include the adjustment of the remuneration system in the event of a significant change in corporate strategy, which requires a change in incentives, or external circumstances such as a severe economic crisis.

7. Clawback rule for variable remuneration

So-called "clawback" provisions - whereby the Supervisory Board can reclaim variable remuneration that has already been paid out under certain circumstances - are not currently provided for. The possibility of asserting claims for damages against members of the Management Board, which may also include the Management Board remuneration paid, remains unaffected.

8. Offsetting of remuneration from Supervisory Board mandates

Remuneration from any Supervisory Board or other dual mandates within the Group is offset against the basic salary (fixed salary). If a member of the Management Board wishes to take on a Supervisory Board mandate outside the Group with the approval of the Supervisory Board, the Supervisory Board decides, as part of the required approval resolution, whether and to what extent the external remuneration will be offset against the fixed salary.

9. Benefits at the start of the Management Board activity

The Supervisory Board can agree payments from the company with new members of the Management Board when they take up their position on the Management Board to compensate for disadvantages, in particular for the forfeiture of benefits from the previous employer (e.g. pension commitments), to cover costs related to taking up their position, in particular in the event of a change of location, or as an incentive for the change. He decides at his own discretion

and within the limits of the (possibly increased) maximum remuneration whether and to what extent he agrees to such additional remuneration benefits as an exception and determines the amount of the payments in the individual contract. Such commitments are disclosed separately in the remuneration report.

10. Contract terms and commitments in connection with the termination of Management Board activities

When appointing members of the Management Board and determining the duration of their contracts, the Supervisory Board observes the provisions of Section 84 of the German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code (GCGC). The employment contracts of the members of the Management Board will generally not exceed a term of three years for initial appointments. In the case of repeated appointments or extensions of the term of office, the statutory maximum term is five years.

Irrespective of any right to extraordinary termination, the company agrees that in the event of premature termination of the mandate of a member of the Management Board, the company has the right to terminate the employment contract of the Management Board member prematurely by ordinary termination in compliance with the notice period specified in Section 622 (2) BGB. When calculating the notice period, the entire duration of the employment relationship with the company, including employment prior to joining the Management Board, is taken into account. In the event of premature termination of the employment contract due to ordinary termination by the company, a severance payment to the Management Board member in the amount of two years' remuneration is agreed (severance payment cap). If the remaining term of the employment contract is less than two years, the severance payment is reduced and is to be calculated pro rata temporis. In the event of extraordinary termination of the employment contract by the company for good cause, no severance payment is granted.

The amount of annual remuneration relevant for calculating the severance payment cap is generally based on the total remuneration for the last full financial year. If the employment contract lasted for less than a full financial year, the amount of variable remuneration is based on the respective target amount.

Commitments for benefits in the event of premature termination of the employment contract by a member of the Executive Board due to a change of control are generally not agreed. If the Supervisory Board agrees such benefits in exceptional cases, it will report on this.

The Supervisory Board can agree post-contractual non-competition clauses with members of the Management Board that provide for compensation to be paid by the company for the duration of the post-contractual non-competition clause of up to two years. For the duration of the non-competition clause, the respective Management Board member receives monthly compensation amounting to 50% of one twelfth of the then applicable total remuneration (basic salary/fixed salary and target amount of variable remuneration), starting in the month following the end of the employment contract. Any other earnings or earnings omitted in bad faith are offset in accordance with Section 74c HGB. The compensation shall be offset against any severance payment. In the event of termination for good cause, the party entitled to terminate the contract may cancel the post-contractual restriction on competition within one month of the

termination. Furthermore, the company may waive the restrictions on competition at any time with a notice period of six months, with the result that the entitlement to compensation ends at the end of the notice period.

In the event that a member of the Executive Board becomes permanently incapacitated for work during the term of their employment contract, the employment contract ends at the end of the sixth month after the permanent incapacity for work is established, unless the regular contractual term ends earlier in accordance with the employment contract. Permanent incapacity to work exists if the Executive Board member is likely to be permanently unable to fully perform the duties assigned to him.

If a member of the Management Board dies during the term of employment, the widowed spouse and dependent children living in the same household as the Management Board member, provided they have not yet reached the age of 25, are entitled as joint creditors to continued payment of the agreed Management Board remuneration for the month of death and the following six months.

11. Remuneration report

The Management Board and Supervisory Board prepare an annual report on the remuneration paid and owed to the members of the Management Board and Supervisory Board by the company and its affiliated companies in the previous financial year. This remuneration report is audited by the auditor and submitted to the company's Annual General Meeting for approval.

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