



**Invitation to the  
Annual General Meeting**

**2021**

**Nagarro SE**  
**Munich**

ISIN DE000A3H2200  
WKN A3H220

**Invitation to the Annual General Meeting**

on

**Tuesday, August 31, 2021, 10:00 a.m. (CEST)**

The General Meeting will be held as a

**virtual General Meeting without physical presence**

of the shareholders or their proxies.

The General Meeting will be broadcast live on the Internet in full in audio and video for our shareholders or their proxies.

Our shareholders or their proxies can follow the entire General Meeting on August 31, 2021 (from 10:00 a.m. CEST) via the access-protected InvestorPortal of Nagarro SE at <https://www.nagarro.com/de/investor-relations/agm>.

The place of the General Meeting as defined by stock corporation law is: Einsteinstr. 172, 81677 Munich, Germany.

The English version of the following text is only a convenience translation of the German original version. Only the German version of this document is legally binding. This translation is provided to shareholders for convenience purposes only. No warranty is made as to the accuracy of this translation and Nagarro SE assumes no liability with respect thereto.

## I. AGENDA

- 1. Presentation of the adopted annual financial statements of Nagarro SE and the approved consolidated financial statements as of December 31, 2020, the management reports for Nagarro SE and for the Group, including the disclosures and explanations of the Executive Board pursuant to Section 289a para. 1, Section 315a para. 1 of the German Commercial Code (*HGB – Handelsgesetzbuch*), and the report of the Supervisory Board for financial year 2020**

In accordance with the statutory provisions, no resolution is planned for agenda item 1. The Supervisory Board has already approved the annual financial statements of Nagarro SE and the consolidated financial statements in its meeting on April 27, 2021. The annual financial statements are thus adopted.

- 2. Resolution on the exoneration of the members of the Executive Board**

The Executive Board and the Supervisory Board propose that the actions of the members of the Executive Board who held office in the 2020 financial year be granted exoneration for this period.

- 3. Resolution on the exoneration of the members of the Supervisory Board**

The Executive Board and the Supervisory Board propose that the acts of the members of the Supervisory Board who held office in the 2020 financial year be granted exoneration for this period.

- 4. Resolution on the appointment of the auditor and group auditor for the financial year 2021 as well as the auditor for the audit review of interim financial information of the Company and the Group to be published until the Annual General Meeting 2022**

The Supervisory Board proposes to appoint LOHR + COMPANY GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, as auditor of the annual financial statements and as auditor of the consolidated financial statements for financial year 2021 as well as auditor for a possible audit review to be decided by the Executive Board of interim financial information to be published until the Annual General Meeting 2022 within the meaning of Sections 117, 115 para. 7 of the German Securities Trading Act (*WpHG – Wertpapierhandelsgesetz*).

- 5. Resolution on the remuneration system for members of the Executive Board**

Pursuant to Section 120a para. 1 of the German Stock Corporation Act (*AktG – Aktiengesetz*) in the version applicable since January 1, 2020 under the Act Implementing the Second Shareholders' Rights Directive ("*ARUG II*" – *Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie*) of December 12, 2019, the General Meeting of a listed company shall resolve on the approval of the remuneration system for members of the Executive Board whenever there is a significant change to the system, but at least every four years. A resolution must be adopted at the Annual General Meeting in 2021. In connection with the Company's IPO, the Supervisory Board adopted a remuneration system for the members of the Executive Board which complies with the requirements of ARUG II and takes into account the recommendations of the amendment to the German Corporate Governance Code.

The Supervisory Board proposes that the remuneration system for the members of the Executive Board set out as an annex to this agenda item 5 in section II.1 of this convocation be approved.

## **6. Resolution on the remuneration of the members of the Supervisory Board**

Pursuant to Section 113 para. 3 AktG in the version valid since January 1, 2020, the General Meeting of a listed company must pass a resolution on the remuneration of the members of the Supervisory Board at least every four years.

The current remuneration regulations for the members of the Supervisory Board are contained in section 17 of the Articles of Association. Following a thorough review, the Executive Board and Supervisory Board are of the opinion that these remuneration arrangements are no longer in line with the market and are in need of revision.

The Executive Board and the Supervisory Board therefore propose to the General Meeting that the remuneration system for the members of the Supervisory Board be resolved as set out under II.2 of this convocation as an annex to this agenda item 6 and that section 17 of the Articles of Association be amended as follows:

### **"17 Remuneration**

- 17.1 Each member of the Supervisory Board receives a fixed annual remuneration of EUR 150,000.00.
- 17.2 The Chairman of the Supervisory Board receives 150% and the Vice Chairman of the Supervisory Board 125% of the remuneration.
- 17.3 One quarter of the remuneration is due at the end of each quarter for the quarter just ended.
- 17.4 Members of the Supervisory Board joining or leaving the Supervisory Board within a financial year shall receive remuneration pro rata temporis, rounded up or down to full months.
- 17.5 The Company shall reimburse each member of the Supervisory Board, upon his request and upon presentation of proof, for necessary and reasonable expenses incurred in the performance of his duties and for any value-added tax payable on the remuneration and the reimbursement of expenses.
- 17.6 The Company may take out a D&O insurance policy for the benefit of the members of the Supervisory Board with an appropriate coverage amount for the members of the Supervisory Board, which covers the liability arising from the Supervisory Board activities.
- 17.7 The above provisions shall be applied for the first time to the financial year beginning on January 1, 2021."

**7. Resolution on the approval of the merger agreement between Nagarro Holding GmbH as the transferring legal entity and Nagarro SE as the acquiring legal entity dated July 19, 2021 and the capital increase required for the implementation of the merger**

Nagarro Holding GmbH and Nagarro SE have entered into a merger agreement on July 19, 2021 (DOC. No. F 4190/2021 of the notary Dr. Sebastian Franck, Munich). According to this, Nagarro Holding GmbH transfers its assets as a whole to Nagarro SE under dissolution without liquidation in return for the granting of shares in Nagarro SE to the shareholders of Nagarro Holding GmbH (with the exception of Nagarro SE) by way of merger through absorption (Section 2 No. 1 of the German Transformation Act (*UmwG – Umwandlungsgesetz*)). The effective date of the merger is January 1, 2021, 12:00 a.m.

The merger agreement is attached to this invitation as Annex 1. It constitutes an integral part of this invitation.

The merger agreement was submitted to the commercial registers of Nagarro Holding GmbH and Nagarro SE prior to the convening of the General Meeting.

The merger is explained and justified in detail from a legal and economic point of view in the Joint Merger Report of the Managing Directors of Nagarro Holding GmbH and the Executive Board of Nagarro SE dated July 19, 2021. The merger agreement was audited by the court-appointed expert auditor Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft. The merger auditor has issued a written audit report on the results of its audit. The Executive Board and the Supervisory Board propose that the following resolution be adopted:

- a) The merger agreement between Nagarro Holding GmbH, registered in the commercial register of the Munich Local Court under HRB 213425, as the transferring legal entity and Nagarro SE as the acquiring legal entity dated July 19, 2021 (DOC. No. F 4190/2021 of the notary Dr. Sebastian Franck, Munich), is approved.
- b) To implement the merger described under agenda item 7 lit. a), the share capital is increased from EUR 11,576,513.00 by EUR 2,199,472.00 to EUR 13,775,985.00 by issuing 2,199,472 no-par value registered shares with a notional share in the share capital of Nagarro SE of EUR 1.00 each. The capital increase will take place under exclusion of the subscription rights of the existing shareholders of Nagarro SE against contribution in kind.
- c) Section 4 of the Articles of Association shall be amended and shall henceforth read as follows:

"The share capital of the Company amounts to EUR 13,775,985.00 (in words: thirteen million seven hundred and seventy-five thousand nine hundred and eighty-five EUROS). It is divided into 13,775,985 no-par value shares."

From the time the General Meeting is convened and also during the General Meeting, the following documents are available on the Company's website at <https://www.nagarro.com/de/investor-relations/agm>:

- Merger Agreement between Nagarro Holding GmbH and Nagarro SE dated July 19, 2021
- Joint merger report of the Managing Directors of Nagarro Holding GmbH and the Executive Board of Nagarro SE dated July 19, 2021 (including the valuation report of VALNES Corporate Finance GmbH dated July 19, 2021)
- Audit report of Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft dated July 20, 2021
- Post-formation report of the Supervisory Board of Nagarro SE dated July 19, 2021
- Post-formation report of the Supervisory Board for the General Meeting of Nagarro SE dated October 30, 2020
- Post-formation audit report of Lohr + Company GmbH Wirtschaftsprüfungsgesellschaft dated July 19, 2021
- Annual report of Nagarro SE for financial year 2020
- Annual financial statements and management reports of Nagarro SE for the financial years 2018, 2019 and 2020 (if available)
- Opening balance sheet of Nagarro SE
- Annual financial statements and management reports of Nagarro Holding GmbH (formerly Allgeier Nagarro Holding GmbH) for financial years 2018, 2019 and 2020 (if available)
- Interim balance sheet of Nagarro SE pursuant to Section 63 para. 1 No. 3 UmwG as of April 1, 2021
- Interim balance sheet of Nagarro Holding GmbH pursuant to Section 63 para. 1 No. 3 UmwG as of April 1, 2021

Upon request, copies will be provided to each shareholder without undue delay and free of charge.

#### **8. Resolution on the granting and/or confirmation of authorizations to issue stock options (Stock Option Plans 2020/II and 2020/III) as well as the formation of conditional capital and corresponding amendments to the Articles of Association**

In preparation for the spin-off of assets of Allgeier SE to Nagarro SE in connection with the legal independence of the Nagarro Group, the Executive Board and the Supervisory Board of Nagarro SE were authorized by the Extraordinary General Meeting of Nagarro SE on October 30, 2020 to issue up to 845,000 option rights to employees and members of the Executive Board of the Company as well as to employees and members of the management bodies of affiliated companies on one or more occasions until October 22, 2025 (Stock Option Plans 2020/II and 2020/III). The stock options were issued in the amount of 45,000 options to members of the Executive Board of the Company and in the amount of 410,000 stock options to employees and management members of the Company or its affiliated companies accordingly. The Company's existing conditional capital can currently be used to service the option rights. However, as servicing stock options from authorized capital is costly and inflexible, conditional capital is to be created for these purposes in line with standard practice.

In this context, as a precautionary measure, the General Meeting shall also again resolve on the key points of the stock option plans (Section 193 para. 2 no. 4 AktG).

The Executive Board and the Supervisory Board therefore propose that the following resolution be adopted:

**a) Authorization to issue stock options (Stock Option Plan 2020/II)**

The Executive Board and the Supervisory Board are authorized to issue subscription rights to shares in the Company (option rights) on one or more occasions until October 22, 2025 for the purpose of participation in the Company by persons specified in Section 192 para. 2 no. 3 AktG. The Executive Board is authorized, with the consent of the Supervisory Board, to determine the further details of the features and issue of the option rights in a stock option plan ("Stock Option Plan 2020/II"). The Stock Option Plan 2020/II and the option conditions contained therein must have the following essential content:

**(1) Option rights, term**

A total of up to 800,000 option rights may be issued. Each option right grants the right to acquire one no-par value bearer share of the Company with a pro rata amount of the share capital of EUR 1.00 attributable to each no-par value share in accordance with the more detailed provisions of the option terms and conditions. The option rights have a maximum term of ten years.

**(2) Option beneficiaries**

The group of option beneficiaries comprises the managing directors or members of the Executive Board as well as the employees (including senior executives) of the domestic and foreign companies affiliated with the Company. The determination of the selection criteria and the selection of the managing directors and employees to whom option rights are granted shall be the responsibility of the Executive Board with the approval of the Supervisory Board.

Of the 800,000 option rights,

- (a) up to 325,000 option rights may be attributable to the managing directors and members of the Executive Board of the domestic and foreign companies affiliated with the Company, as well as
- (b) up to 475,000 option rights may be attributable to employees of domestic and foreign companies affiliated with the Company.

Insofar as the quota for the managing directors or members of the Executive Board of the domestic and foreign companies affiliated with the Company totaling 325,000 option rights pursuant to lit. (a) is not exhausted, the remaining option rights may also be offered for subscription to employees pursuant to lit. (b).

**(3) Acquisition periods**

The offer to subscribe to option rights may in each case only be made to option holders within two weeks of the Company's Annual General Meeting or of the publication of an annual or semi-annual report or a quarterly statement or a quarterly report of the Company. The option rights offered may only be subscribed within two weeks of the offer being made. In addition to the aforementioned periods, option

rights may be issued between January 1, 2021 and January 15, 2021. If an issue of options is not permitted in the period between January 1, 2021 and January 15, 2021, or if the period required to determine the base price pursuant to item 5 has not yet elapsed since the Company's stock exchange listing, the issue period shall commence on the first day on which an issue is permitted and/or the period required to determine the base price pursuant to item 5 has elapsed since the Company's stock exchange listing.

#### **(4) Waiting period, Exercise Periods**

The option rights may be exercised at the earliest after expiry of a minimum waiting period of four years from their issue. A longer waiting period may be specified, and in particular the option rights may be divided into tranches which may be exercised in stages after expiry of the minimum waiting period. After expiry of the waiting period, the option rights may in each case only be exercised within two weeks of the Company's Annual General Meeting or the publication of an annual or semi-annual report or a quarterly statement or a quarterly report of the Company (Exercise Periods). The start of the Exercise Periods is in each case the first banking day following the aforementioned events.

Option rights cannot be exercised in the following periods:

- (a) In the period from the last registration date for the shares prior to General Meetings of the Company until the first banking day after the General Meeting,
- (b) in the period of two weeks before the end of each financial year of the Company,
- (c) in the period from the day on which the Company announces an offer to its shareholders to subscribe for new shares by letter to all shareholders or by publication in the Federal Gazette (*Bundesanzeiger*) until the day on which the new shares of the Company are listed on the stock exchange for the first time. The same applies in the event of the issue of listed convertible bonds or bonds with warrants or profit participation rights.

If an Exercise Period coincides with a period pursuant to lit. (a) to lit. (c), the relevant Exercise Period shall commence on the day following the end of the period stipulated in lit. (a) to lit. (c).

#### **(5) Exercise Price/performance target**

The subscription price to be determined in each case for one no-par value share of the Company upon exercise of the option rights (Exercise Price) corresponds to 110% of the base price. The Executive Board and Supervisory Board may specify further performance targets and exercise hurdles in the option terms and conditions.

The base price is the stock market price of the Company's shares at the time of the resolution by the Executive Board and Supervisory Board on the issue of the option rights. The relevant stock market price is the unweighted average closing price of the Company's shares on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system) on the last five stock market trading days prior to the resolution on the issue of the option rights.



The option terms and conditions may, in the event that during the term of the option rights the capital stock of the Company is increased by issuing new shares or treasury shares or bonds with conversion or option rights to shares in the Company are issued, provide for a corresponding reduction in the Exercise Price in proportion to the average closing price of the subscription right to which the shareholders are entitled on all trading days on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system) to the closing price of the shares of the Company in XETRA trading on the Frankfurt Stock Exchange on the last trading day prior to the deduction of the subscription right.

The adjustment does not apply if the holders of the option rights are granted a subscription right that corresponds to the shareholders' subscription right. The option terms and conditions may also provide for an adjustment in the event of capital measures (share consolidation or split, capital increase from company funds, capital reduction) during the term of the option rights.

However, the minimum Exercise Price shall in any case be the lowest issue price pursuant to Section 9 para. 1 AktG.

#### **b) Authorization to issue stock options (Stock Option Plan 2020/III)**

The Supervisory Board is authorized to issue and service subscription rights to shares in the Company (option rights) on one occasion until October 22, 2025 for the purpose of the participation in the Company of the persons named below in accordance with the exclusive provisions of this resolution (Stock Option Program 2020/III).

##### **(1) Option rights, term, and beneficiaries**

A total of 45,000 option rights will be issued. Each option right grants the right to acquire one no-par value bearer share of the Company with a pro rata amount of the share capital of EUR 1.00 attributable to each no-par value share in accordance with the more detailed provisions of the option terms and conditions.

Of the total of 45,000 option rights,

- a) 15,000 option rights may be issued to Ms. Anette Mainka,
- b) 15,000 option rights may be issued to Mr. Manas Fuloria, and
- c) 15,000 option rights may be issued to Mr. Vikram Sehgal

The issue shall take place between January 1, 2021 and January 15, 2021 by resolution of the Supervisory Board (the date of issue the "Issue Date"). The option rights have a term of ten years from the Issue Date. At the end of the term, the option rights expire without compensation. If an issue of options is not permitted in the aforementioned period or if the period required to determine the base price pursuant to Section 3.b has not yet elapsed since the Company's stock exchange listing, the issue period shall commence on the first day on which an issue is permitted and/or the period required to determine the base price pursuant to Section 3.b has elapsed since the Company's stock exchange listing.

## **(2) Content of the option rights**

Each option right entitles the beneficiary – subject to the adjustments pursuant to Section 5.d – to subscribe for one no-par value registered share of the Company representing a pro rata amount of the share capital of EUR 1.00 in accordance with the provisions of this resolution at the Exercise Price specified in section 3.b and, if applicable, adjusted in accordance with section 3.c.

The new no-par value shares issued by the Company after the option rights have been exercised shall participate in profits from the beginning of the financial year in which they are created. Until the issue of these no-par value shares, the beneficiary shall have neither subscription rights to new no-par value shares of the Company from capital increases nor rights to dividends or other distributions or other share rights on the basis of the option rights.

## **(3) Exercise of options**

### **a. Waiting period**

The beneficiaries may exercise the option rights at the earliest after the expiry of a waiting period of four years, starting on the Issue Date.

### **b. Exercise Price and performance target**

- i. The exercise price ("Exercise Price") to be paid upon exercise of the option right to subscribe for one share corresponds to 110% of the base price. The base price is the unweighted average closing price of the Company's shares on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system) on the last five trading days prior to the Issue Date. "Closing price" means, with respect to each individual Exchange Trading Day, the closing price determined in the closing auction or, if such closing price is not determined on the relevant Trading Day, the last exchange price determined in continuous trading.
- ii. In any case, however, at least the lowest issue price within the meaning of Section 9 para. 1 AktG shall be paid as the Exercise Price.
- iii. The Exercise Price is determined immediately after the Issue Date and communicated to the beneficiary.
- iv. The beneficiary is obliged to pay the Company the Exercise Price for the option rights exercised by them without undue delay after submission of the Subscription Declaration for the new shares to the Company's bank account specified in the Subscription Declaration.
- v. The Company, represented by the Supervisory Board, is entitled to reject the Subscription Declaration concerning the exercise of option rights and the issue of shares if the beneficiary does not pay the Exercise Price to the Company in due time. It is also entitled to reject the Subscription Declaration insofar as the exercise of the option would lead to an inflow of funds for the beneficiary that would exceed the maximum remuneration pursuant to Section 87a para. 1 sentence 2 no. 1 AktG.

**c. Adjustment of the Exercise Price**

- i. If, during the term of option rights issued on the basis of the Stock Option Plan 2020/III, the Company increases its capital stock by issuing new shares while granting subscription rights to its shareholders, if the Company grants its shareholders rights to subscribe for treasury shares of the Company or if the Company issues bonds with option or conversion rights while granting subscription rights to its shareholders, the Exercise Price shall be reduced by the amount corresponding to the unweighted average of the closing prices of the subscription right granted to the shareholders on all trading days on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system). If there is no trading in subscription rights, the Exercise Price shall be reduced by the value of the subscription right determined in accordance with recognized actuarial methods. The reduced Exercise Price shall apply from the first trading day on the Frankfurt Stock Exchange after expiry of the subscription period for the new shares, treasury shares or bonds. There shall be no reduction in the Exercise Price if the holders of the option rights are granted a subscription right corresponding to the subscription right of the shareholders.
- ii. In the event of a capital increase of the Company from corporate funds with the issue of new shares, the option holders shall be granted as many additional shares upon exercise of their option rights as if they had already exercised their option rights at the time of the capital increase from corporate funds. Fractional amounts are settled by cash payment by the Company. In the event of a capital increase of the Company from corporate funds without the issue of new shares, neither the content of the option right nor the Exercise Price will change.
- iii. In the event of a capital reduction by the Company, no adjustment of the Exercise Price shall be made, provided that the total number of shares is not changed as a result of the capital reduction or the capital reduction is associated with a capital repayment or an acquisition of treasury shares against payment.
- iv. In the event of a reverse stock split or a stock split, the number of shares to be issued by the Company for each option right at the Exercise Price shall increase or decrease in proportion to the capital reduction or stock split.
- v. If the Company pays a dividend to its shareholders whose amount per share exceeds the earnings per share after tax generated in the operating business of the Nagarro Group companies without taking into account a disposal of companies or business units in the year for which the dividend is paid, as determined in accordance with IFRS, the Exercise Price is reduced by the amount by which the dividend per share exceeds this profit.

- vi. In the case of other events that have a comparable effect on the option holders as the aforementioned cases, the Exercise Price may be adjusted by resolution of the Supervisory Board in accordance with Section 315 of the German Civil Code (*BGB – Bürgerliches Gesetzbuch*).
- vii. The adjustment of the Exercise Price may in no case result in the Exercise Price falling below the lowest issue price within the meaning of Section 9 para. 1 AktG.

**d. Exercise Periods, blocking periods**

- i. After expiry of the waiting period, the option rights may in each case only be exercised within two weeks after the Company's Annual General Meeting or after publication of an annual or semi-annual report or a quarterly announcement by the Company ("Exercise Periods"). The start of the Exercise Periods is in each case the first banking day following the aforementioned events at the Company's registered office.
- ii. Option rights cannot be exercised in the following periods:
  - 1. in the period from the last registration date for the shares prior to General Meetings of the Company until the first banking day at the Company's registered office after the General Meeting,
  - 2. in the period of two weeks before the end of each financial year of the Company,
  - 3. in the period from the day on which the Company announces an offer to its shareholders to subscribe for new shares by letter to all shareholders or by publication in the Federal Gazette (*Bundesanzeiger*) until the day on which the new shares of the Company are listed on the stock exchange for the first time. The same applies in the event of an offer to subscribe for listed convertible bonds or bonds with warrants or profit participation rights to the shareholders of the Company.
- iii. If an Exercise Period coincides with one of the periods described in ii.1 to 3, the relevant Exercise Period shall commence on the day following the end of such period.
- iv. Irrespective of this, the exercise restrictions resulting from the German Securities Trading Act (insider law) and other general legal provisions must be observed.
- v. An exercise declaration submitted outside the Exercise Periods shall be deemed to have been submitted on the first day of the next possible Exercise Period.

**e. Partial exercise**

The beneficiary is free to exercise the option rights granted, insofar as they are exercisable, in whole or in part.

**f. Subscription Declaration**

The exercise of the option rights shall be effected by written declaration in duplicate to the Company ("Subscription Declaration"). The Subscription Declaration form is available from the Company. The Subscription Declaration must be received by the Company no later than the day on which the option rights are to be exercised. When accepting the Subscription Declaration, the Company shall be represented by its Supervisory Board Chairman or his representative or by a person authorized by the Supervisory Board.

**g. Issue of shares**

To the extent that a beneficiary exercises his option rights, the Company, represented by the Supervisory Board, shall issue to the beneficiary the number of no-par value shares corresponding to the exercised number of option rights without undue delay after the end of the relevant Exercise Period and payment of the Exercise Price and subject to the provision in section 6.b, and transfer them to the securities account specified in the Subscription Declaration.

**(4) Disposal restrictions**

**a. Transferability of option rights and expiry**

- i. The option rights are neither transferable nor alienable, pledgeable or otherwise encumberable. Any other disposal of the option rights as well as the granting of a sub-participation or the establishment of a trust concerning the option rights is also not permitted.
- ii. If the beneficiary dies, his heirs shall be entitled to exercise the option rights for which the waiting period pursuant to section 3.a has expired at the time of death under the same conditions as the deceased beneficiary within a period of one year from the time of death.
- iii. If the beneficiary dies, his or her heirs shall be entitled to exercise the option rights for which the waiting period pursuant to section 3.a has not yet expired at the time of death under the same conditions as the deceased beneficiary within a period of one year from the end of the waiting period pursuant to section 3.a.
- iv. After expiry of the one-year period specified in ii. or iii. above, the option rights expire without compensation.
- v. The option rights issued are subject to annual vesting in the sense that 25% of the option rights issued to a beneficiary vest in each case at the end of 12 months, 24 months, 36 months, and 48 months after the Issue Date. If the Executive Board contract of a beneficiary ends before the end of the waiting period pursuant to section 5.1, the following shall apply: In principle, the option rights that have not yet vested by then shall lapse at the end of the Executive Board contract. However,

if at least 50% of the option rights are already vested at the end of the term of the Executive Board contracts with option beneficiaries currently in force when the option rights are issued, the remaining option rights shall also vest at that time. If, following the current Executive Board contract, a new Executive Board contract is concluded with the beneficiary that covers at least the period up to the end of the vesting period, the 4-year vesting period shall continue to apply. The provisions of this section 4.a.v shall not apply in the event of death, which shall be governed by the provisions of sections 4.a.ii through iv.

**b. Transferability of shares**

- i. The beneficiary is entitled to immediately resell the no-par value shares acquired as a result of exercising the option rights. In the context of such a sale, however, he must take into account the legitimate interests of the Company in an appropriate development of the share price.
- ii. The Company draws the attention of the beneficiary to the fact that, as a member of the Company's executive bodies, he is one of the persons who must observe the restrictions arising from the German Securities Trading Act (insider law) and other general legal provisions concerning the acquisition and sale of shares and option rights relating to shares in the Company.

**(5) Special regulations**

**a. Delisting**

- i. The Company, represented by the Supervisory Board, may terminate the option rights granted by means of a unilateral declaration if the Company's shares are no longer listed on any organized market within the meaning of Section 2 para. 5 WpHG. In this case, if the waiting period has expired and the unweighted average closing price of the Company's shares on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system) on the five stock market trading days prior to the discontinuation of the last stock market listing is at least equal to the Exercise Price, the beneficiaries will receive compensation from the Company.
- ii. The amount of compensation is the cash compensation to be granted to the shareholders of the Company less the Exercise Price. If no cash compensation is granted to the shareholders of the Company in the context of the delisting, the unweighted average closing price of the Company's share on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system) on the five stock exchange trading days prior to the discontinuation of the last stock exchange listing less the Exercise Price shall be paid as compensation to the beneficiaries for each option right.
- iii. Section 9 para. 1 AktG shall remain unaffected in both cases.

**b. Change in the majority shareholding in the Company**

If more than 30% of all voting rights relating to the Company are acquired directly or indirectly by a natural person or legal entity or a plurality of natural persons or legal entities acting in concert ("Change of Control"), option rights for which the vesting period has already expired become immediately exercisable. If there is no Exercise Period at that time, an additional Exercise Period of six weeks after the announcement of the Change of Control will be opened during which the option rights can be exercised.

**c. Exclusion of minority shareholders**

In the event of an exclusion of minority shareholders of the Company within the meaning of Sections 327a to 327f AktG, the beneficiary shall be obliged to transfer the option rights granted to him under this stock option plan but not yet exercised to the majority shareholder of the Company, at the latter's request, at whose instigation the exclusion of the minority shareholders of the Company takes place, against payment of an appropriate consideration corresponding to the value of the option rights at the time of the request calculated in accordance with recognized actuarial methods.

**d. Adjustment of option rights**

In the event of a merger of the Company into another company or any other measure under the German Reorganization Act not already covered by section 5.a, or comparable measures which affect the rights of the beneficiaries under this stock option plan by destroying or changing the no-par value bearer shares of the Company to be issued to the beneficiaries upon exercise of the option rights, the beneficiaries shall be placed on an equal economic footing, i.e. they shall have the right, instead of the right pursuant to section 2, to acquire at the Exercise Price in each case the number of shares, business interests or other participation rights in the Company or its legal successor replacing the current no-par value bearer shares of the Company, the value of which corresponds to the value of a no-par value bearer share of the Company at the time of such measure. In all other respects, the provisions of this stock option plan shall apply without restriction with regard to the new participation rights.

**(6) Miscellaneous**

**a. Reporting requirement**

The Executive Board and the Supervisory Board will report on the option rights granted and the exercise of option rights for each financial year in accordance with the applicable regulations in the notes to the annual financial statements and in the notes to the consolidated financial statements.

**b. Taxation**

- i. All taxes due upon exercise of the option rights, upon sale of the resulting shares by the beneficiaries or their heirs, or upon payment of a cash settlement pursuant to section 5.a or of a consideration pursuant to section 5.c shall be borne by the beneficiaries or their heirs.
- ii. To the extent that the Company is legally obliged to withhold income tax, including church tax and solidarity surcharge as well as social security contributions ("Levies") upon the exercise of the option rights or upon a cash settlement pursuant to Section 5.a, the Levies may be deducted from the salary of the beneficiary. To the extent that the salary of the beneficiary is not sufficient for the deduction of the Levies, the beneficiary is obliged to make the shortfall available to the Company in cash. The Company is entitled not to issue the subscribed shares until the beneficiary has paid the shortfall to the Company.

Other taxes and costs associated with the implementation of the stock option plan are borne by the Company.

**c) Creation of Conditional Capital 2021/I and amendment to the Articles of Association**

For the purpose of implementing the Stock Option Plan 2020/II, a corresponding Conditional Capital 2021/I in the amount of EUR 800,000.00 shall be created:

The share capital of the Company shall be conditionally increased by up to EUR 800,000.00 by issuing up to 800,000 new no-par value registered shares (**Conditional Capital 2021/I**). The conditional capital increase will only be carried out to the extent that the holders of option rights under the Stock Option Plan 2020/II issued by the Company on the basis of the authorizations of the General Meeting on October 30, 2020 and August 31, 2021 exercise their subscription rights to no-par value shares of the Company in the period up to October 22, 2025. The new no-par value shares issued by the Company shall participate in profits from the beginning of the financial year in which they are issued. The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

The following new section 7.1 is inserted in the Articles of Association:

"The share capital of the Company is conditionally increased by up to EUR 800,000.00 by issuing up to 800,000 new no-par value registered shares (**Conditional Capital 2021/I**). The conditional capital increase will only be carried out to the extent that the holders of option rights under the Stock Option Plan 2020/II issued by the Company on the basis of the authorizations of the General Meeting on October 30, 2020 and August 31, 2021 exercise their subscription rights to no-par value shares of the Company in the period up to October 22, 2025. The new no-par value shares issued by the Company shall participate in profits from the beginning of the financial year in which they are issued. The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase."



**d) Creation of Conditional Capital 2021/II and amendment to the Articles of Association**

For the purpose of implementing the Stock Option Plan 2020/III, a corresponding Conditional Capital 2021/II in the amount of EUR 45,000.00 shall be created.

The share capital of the Company shall be conditionally increased by up to EUR 45,000.00 by issuing up to 45,000 new no-par value registered shares (**Conditional Capital 2021/II**). The conditional capital increase will only be carried out to the extent that the holders of option rights under the Stock Option Plan 2020/III issued by the Company on the basis of the authorizations of the General Meeting on October 30, 2020 and August 31, 2021 exercise their subscription rights to no-par value shares of the Company in the period up to October 22, 2025. The new no-par value shares issued by the Company shall participate in profits from the beginning of the financial year in which they are issued. The Executive Board or, where responsible by law, the Supervisory Board, are authorized to determine the further details of the implementation of the conditional capital increase, whereby the Executive Board requires the approval of the Supervisory Board in this respect.

The following new section 7.2 is inserted in the Articles of Association:

"The share capital of the Company is conditionally increased by up to EUR 45,000.00 by issuing up to 45,000 new no-par value registered shares (**Conditional Capital 2021/II**). The conditional capital increase will only be carried out to the extent that the holders of option rights under the Stock Option Plan 2020/III issued by the Company on the basis of the authorizations of the General Meeting on October 30, 2020 and August 31, 2021 exercise their subscription rights to no-par value shares of the Company in the period up to October 22, 2025. The new no-par value shares issued by the Company shall participate in profits from the beginning of the financial year in which they are issued. The Executive Board or, where responsible by law, the Supervisory Board, are authorized to determine the further details of the implementation of the conditional capital increase, whereby the Executive Board requires the approval of the Supervisory Board in this respect."

**9. Resolution on the establishment of an authorization to issue convertible bonds (*Wandelschuldverschreibungen*) and/or bonds with warrants (*Optionsschuldverschreibungen*) as well as the formation of conditional capital and corresponding amendments to the Articles of Association**

By granting the option of issuing bonds with warrants and convertible bonds, the Company is to be provided with this financing option, which may be attractive under certain circumstances.

The Executive Board and Supervisory Board therefore propose that the following resolution be adopted:

- (1) New authorization to issue bonds with warrants or convertible bonds
  - a) Term of the authorization, nominal amount
  - aa) With effect from registration in the commercial register of the conditional capital to be resolved by the General Meeting on August 31, 2021 under section (3) (a) below, the Executive Board is authorized, with the approval

of the Supervisory Board, to issue bearer or registered bonds with warrants or convertible bonds on one or more occasions until August 30, 2026 for a total nominal amount of up to EUR 1,000,000,000 (in words: one billion euros) with or without a limited term (hereinafter jointly referred to as "**Bonds**") and to grant option or conversion rights to the holders or creditors of the Bonds for up to 4,943,256 new shares in the Company with a pro rata total amount of the share capital of up to EUR 4,943,256.00 (in words: four million nine hundred and forty-three thousand two hundred and fifty-six euros) in accordance with the respective terms and conditions for options and convertible bonds (hereinafter respectively referred to as the "**Terms**") to be determined by the Executive Board.

- bb) In addition to euros, the Bonds may also be issued in a foreign legal currency, subject to a limit of the corresponding equivalent value in euros.
  - cc) The Bonds may also be issued by companies dependent on the Company or majority-owned by the Company; in this case, the Executive Board shall be authorized, with the consent of the Supervisory Board, to assume the guarantee for the Bonds on behalf of the Company and to grant option or conversion rights to the holders of such Bonds for shares in the Company and to make further declarations and to take further actions as may be required for a successful issue.
  - dd) The issues of the Bonds may be divided into Bonds having equal rights among themselves.
- b) Subscription right and exclusion of subscription right

The shareholders have a statutory subscription right to the Bonds. These may also be taken over by a credit institution or an enterprise operating pursuant to Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 of the German Banking Act (financial institution) or a syndicate of such credit or financial institutions with the obligation to offer them indirectly to the shareholders for subscription within the meaning of Section 186 para. 5 AktG.

However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights to Bonds,

- aa) in order to exclude fractional amounts resulting from the subscription ratio from the shareholders' subscription rights to the Bonds;
- bb) in order to issue Bonds against payment in cash, provided that this is done at an issue price that is not significantly lower than the hypothetical market value of the Bonds determined in accordance with recognized, in particular actuarial methods.

However, this authorization to exclude subscription rights shall only apply to the extent that the shares issued or to be issued to service the option or conversion rights or to fulfill the conversion obligation do not account for more than 10% of the capital stock. The limit of 10% shall be based on the amount of capital stock at the time this authorization becomes effective. If the capital stock figure is lower at the time this authorization is exercised, this lower figure shall apply.

This amount shall include the pro rata amount of capital stock (i) attributable to shares which have been or will be issued during the term of this authorization until its exercise from authorized capital excluding shareholders' subscription rights pursuant to Section 186 para. 3 sentence 4 AktG, (ii) attributable to treasury shares of the Company which have been or will be sold on the basis of authorizations pursuant to Section 71 para. 1 no. 8 AktG during the term of this authorization until its exercise, excluding shareholders' subscription rights pursuant to Section 186 para. 3 sentence 4 AktG, and (iii) attributable to shares issued or to be issued to service bonds with warrants or convertible bonds issued during the term of this authorization until its exercise on the basis of another authorization in analogous application of Section 186 para. 3 sentence 4 AktG, excluding subscription rights;

cc) to the extent necessary, in order to grant subscription rights to the holders of bonds with warrants or convertible bonds (or combinations of these instruments) issued by the Company or companies dependent upon it or majority-owned by the Company to the extent to which they would be entitled after exercising their rights or fulfilling their obligations.

c) Conversion rights

When convertible bonds are issued, the holders are granted the right to exchange their Bonds for new shares in the Company in accordance with the more detailed Terms. The conversion ratio is calculated by dividing the nominal amount of a Bond by the fixed conversion price for one new share in the Company. The conversion ratio may also be calculated by dividing the issue price of a Bond, which is lower than the nominal amount, by the fixed conversion price for a new share in the Company. The conversion ratio may be rounded up or down to a whole number; furthermore, an additional payment to be made in cash may be specified. Finally, provision may be made for fractional shares to be merged and/or compensated in cash. The pro rata amount of the capital stock represented by the shares of the Company to be issued per Bond may not exceed the nominal amount of the Bond or an issue amount of the Bond that is lower than the nominal amount.

The Terms may provide for the right of the Company to pay the holders of the conversion right, in the event of conversion instead of shares in the Company, their equivalent in cash, which, in accordance with the more detailed Terms, corresponds to the arithmetic mean of the closing prices of the Company's share on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system) during the last ten stock market trading days prior to the declaration of conversion.

The Terms may also provide for the right of the Company to grant the holders of the conversion right treasury shares of the Company or new shares from authorized capital in the event of conversion. The Terms may also provide for a conversion obligation at the end of the term or at another time.

The Terms may provide for the right of the Company to grant the creditors of the Bonds new shares or treasury shares of the Company in whole or in part instead of payment of a cash amount due. In each case, the shares shall be credited with a value which, in accordance with the more detailed provisions of the Terms, corresponds to the arithmetic mean of the closing prices of the Company's shares on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system) during the last ten stock market trading days before the cash amount falls due.

d) Option rights

If warrant bonds are issued, one or more warrants shall be attached to each partial bond entitling the holder to subscribe for shares in the Company in accordance with the more detailed Terms. The Terms may provide for the option holders to be granted treasury shares in the Company or new shares from authorized capital. The pro rata amount of the capital stock represented by the shares of the Company to be subscribed for per warrant bond may not exceed the Exercise Price of the warrant bond.

e) Option or conversion price

The option or conversion price for a share shall be at least 80% of the arithmetic mean of the stock exchange prices of the shares of the Company in the XETRA closing auction on the Frankfurt Stock Exchange (or a comparable successor system), namely,

- aa) if the subscription right is excluded or otherwise subscription rights trading does not take place, during the ten stock exchange trading days prior to the date of the resolution by the Executive Board on the issue of the Bonds or, otherwise,
- bb) during the stock exchange trading days on which subscription rights to Bonds are traded on the Frankfurt Stock Exchange, with the exception of the last two stock exchange trading days of subscription rights trading.

Notwithstanding Section 9 para. 1 AktG, the option and conversion price shall be reduced on the basis of an anti-dilution clause in accordance with the more detailed provisions of the Terms by payment of a corresponding amount in cash upon exercise of the conversion right or by reduction of the additional payment if, during the option or conversion period, the Company increases the capital stock by granting subscription rights to its shareholders or issues or guarantees option or conversion rights and the holders of existing option or conversion rights are not granted a subscription right in this connection to which they would be entitled after exercising the option or conversion right.

Instead of a payment in cash or a reduction of the additional payment, the conversion ratio may also be adjusted, where possible, by dividing it by the reduced conversion price. The Terms may also provide for a value-preserving adjustment of the option or conversion price for other measures of the Company that may lead to a dilution of the value of the option or conversion rights, as well as in the event of a capital reduction, a share split or a special dividend.

f) Determination of the issuing modalities

The Executive Board is authorized, subject to the above provisions, to determine the further details of the issue and features of the Bonds and their Terms, or to determine them in agreement with the executive bodies of the Group company issuing the Bonds, in particular the interest rate, issue price, term and denomination, subscription or conversion ratio, creation of a conversion obligation, determination of an additional cash payment, compensation or consolidation of fractional amounts, cash payment instead of delivery of shares, option or conversion price and the option or conversion period.

(2) Conditional Capital

a) Creation of new Conditional Capital 2021/III

The share capital of the Company is conditionally increased by up to EUR 4,943,256.00 (in words: four million nine hundred and forty-three thousand two hundred and fifty-six euros) by issuing up to 4,943,256 new no-par value registered shares with dividend rights from the beginning of the financial year in which they are issued (**Conditional Capital 2021/III**).

Conditional Capital 2021/III serves to grant shares to the holders or creditors of bonds with warrants or convertible bonds issued by the Company, by dependent companies or by companies majority-owned by the Company in accordance with the authorization of the General Meeting on August 31, 2021 under agenda item 9 (1). It shall only be carried out to the extent that option or conversion rights under the aforementioned bonds with warrants and convertible bonds are exercised or conversion obligations under such Bonds are fulfilled and to the extent that treasury shares or new shares from the authorized capital are not used for servicing. The issue price of the new shares shall correspond to the option or conversion price to be determined in accordance with the aforementioned authorization.

The Executive Board is authorized to determine the further details of the implementation of the conditional capital increase.

b) Amendment to the Articles of Association

Section 7 of the Articles of Association is supplemented by the following new section 7.3:

"7.3 The share capital of the Company is conditionally increased by up to EUR 4,943,256.00 (in words: four million nine hundred and forty-three thousand two hundred and fifty-six euros) by issuing up to 4,943,256 new no-par value registered shares with dividend rights from the beginning of the financial year in which they are issued (**Conditional Capital 2021/III**).

Conditional Capital 2021/III serves to grant shares to the holders or creditors of bonds with warrants or convertible bonds issued by the Company, by dependent companies or by companies majority-owned by the Company in accordance with the authorization of the General Meeting on August 31, 2021 under agenda item 9 (1). It shall only be carried out to the extent that option or conversion rights under the aforementioned bonds with warrants and convertible bonds are exercised or conversion obligations under such Bonds are fulfilled and to the extent that treasury shares or new shares from the authorized capital are not used for servicing. The issue price of the new shares shall correspond to the option or conversion price to be determined in accordance with the aforementioned authorization.

The Executive Board is authorized to determine the further details of the implementation of the conditional capital increase."

## **II. INFORMATION ON AGENDA ITEMS 5 AND 6 (REMUNERATION SYSTEMS FOR MEMBERS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD)**

### **1. The remuneration system for members of the Executive Board**

#### **1. Principles of the remuneration system**

By law, the Supervisory Board is responsible for the resolution, implementation, and review of the remuneration system for the members of the Executive Board. The Supervisory Board adopted the present remuneration system in connection with the legal independence of the Nagarro Group from Allgeier SE and the IPO of Nagarro SE. The Supervisory Board will implement the requirements of this remuneration system in individual contracts with the members of the Executive Board when concluding all new appointments and extensions of employment. Existing employment relationships shall remain unaffected.

Nagarro SE's remuneration system is designed to make a significant contribution to the implementation of the company's business strategy. Nagarro SE's business strategy as a listed holding company for the Nagarro Group is essentially aimed at continuously increasing the shareholder value of the company. In designing the remuneration system, the Supervisory Board attached importance to a simple and clear concept. The performance of the Executive Board is to be rewarded primarily in line with the long-term development of the Company.

The Executive Board receives an annual fixed salary 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. In addition, the Supervisory Board may determine an annual discretionary bonus in favor of the members of the Executive Board. Should such a discretionary bonus be resolved, the Supervisory Board will, if applicable, make it dependent on measurable financial or non-financial targets and assessment bases that are core components of Nagarro SE's growth and value creation strategy.

As a long-term variable remuneration component, members of the Executive Board are offered shares or stock options on shares of Nagarro SE. In this way, the Executive Board's entrepreneurial focus is to be aligned with the interests of shareholders in medium- and long-term share price development. A time horizon of at least four years is to be specified for such share-based remuneration components and their value realization. The share-based instruments can alternatively be replaced by corresponding virtual instruments.

The remuneration of the Executive Board shall at the same time be in line with the market as well as competitive, and simultaneously not deviate significantly from the remuneration of comparably experienced members of the broader management team of Nagarro SE. For this reason, the remuneration system should also leave the Supervisory Board the opportunity, within a specified framework, to respond flexibly to a changing economic situation of the Company as well as to a changing market and competitive environment and a changing internal salary environment. The overall aim is to create comprehensible and sustainable incentives for committed and successful management as part of a larger management team in a dynamic business environment.

In its balance, the new remuneration system is intended to apply for several years and during this time contribute to sustainably increasing the enterprise value of Nagarro SE.

The remuneration system adopted by the Supervisory Board will be submitted to the General Meeting for approval for the first time at the Annual General Meeting in 2021. In the future, the remuneration system will be submitted to the General Meeting for approval in the event of significant changes, but at least every four years. In the event that the General Meeting does not approve the remuneration system put to the vote, a revised remuneration system will be put to the vote at the next Annual General Meeting at the latest.

## **2. Structure of the remuneration system, remuneration components and relative share of remuneration**

The remuneration of the members of the Executive Board comprises non-performance-related (fixed) and performance-related (variable) components.

The Supervisory Board sets a target direct remuneration for each member of the Executive Board, consisting exclusively of the fixed component. The share of the fixed component in the target direct remuneration is therefore 100%.

This remuneration structure applies uniformly to all Executive Board functions. In line with the principle of overall responsibility of the Executive Board, the determination of any targets used for a discretionary bonus will in principle also be uniform for the members of the Executive Board. The Supervisory Board reserves the right to set individual targets for individual members of the Executive Board if, in its opinion, a differentiated incentive structure between the members of the Executive Board becomes necessary.

### **2.1 Non-performance-related remuneration**

The non-performance-related remuneration consists of a basic salary (fixed salary) and fringe benefits (in particular insurance premiums and company car). A retirement contribution shall not be granted.

The fixed salary is paid in twelve equal monthly installments less statutory levies 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 granted on a pro rata basis (pro rata temporis).

The contractually agreed fringe benefits mainly include customary additional benefits such as premiums for insurance policies (e.g. accident insurance for occupational accidents and accidents in daily life, liability insurance, industrial legal expenses insurance and legal expenses insurance) and the provision of communications equipment and a company car for business and private use. The value of fringe benefits may vary annually depending on the person and event, but is limited to an amount not exceeding 20% of the fixed salary. The fringe benefits and thus the 20% limit do not include the reimbursement of expenses, to which members of the Executive Board are already entitled by law, or the inclusion in a D&O insurance policy in the interests of the Company, whereby the member of the Executive Board must bear the deductible prescribed by stock corporation law.

### **2.3 Discretionary bonus**

To reward special achievements and successes by members of the Executive Board, the Supervisory Board may in exceptional cases grant an extraordinary bonus (discretionary bonus) at its reasonable discretion.

### **2.4 Stock options**

In the interests of remuneration with a very long-term effect, the Supervisory Board may decide, at its reasonable discretion, to issue stock options to members of the Executive Board as an incentive to achieve a long-term and sustainable increase in the value of the Company. The Supervisory Board made use of this option in connection with the IPO of Nagarro SE. The Supervisory Board shall determine the parameters of the stock options, such as number, exercise price, further exercise conditions, expiration clauses, term, etc., taking into account the key points of the authorization for the issue of stock options resolved by the General Meeting. In doing so, the Supervisory Board may determine further conditions within the scope of its discretion. The waiting period before stock options may be exercised for the first time shall be at least four years, subject to statutory provisions. The term of the stock options is to be a minimum of 5 years and a maximum of 10 years. Once the option has been exercised, the members of the Executive Board are not obliged to hold the shares thus acquired for a certain period. The value of the stock options granted at the time of issue, determined using recognized actuarial methods, may not exceed a predetermined maximum amount, taking into account the term of the stock options. In this context, the gross profit actually realized later when the stock options are exercised may exceed the maximum value determined at the time of issue due to a more positive development of the share price.

### **3. Target total remuneration under the new remuneration system and reasonableness test for Executive Board remuneration**

On the basis of the remuneration system, the Supervisory Board determines the specific target total remuneration for each member of the Executive Board for the respective 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 reasonable estimates.

The Supervisory Board sets a target total remuneration that it believes to be reasonable, in line with market conditions, 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 member of the Executive Board and the situation of the Company and does not exceed the scope of customary remuneration without special justification.

The Supervisory Board regularly uses a so-called "peer group comparison" to assess the customary level of total remuneration of the members of the Executive Board. This is a horizontal review of the reasonableness of Executive Board remuneration based on a suitable peer group of national and international companies that appear comparable in terms of market position or business model. Furthermore, the Supervisory Board regularly reviews the remuneration of the Executive Board with regard to its reasonableness within the Company. For the purpose of this vertical review, the Supervisory Board considers the ratio of Executive Board remuneration to the remuneration of senior management and the Group-wide work-



force as a whole, including its development over time. For this purpose, the Supervisory Board determines the senior management circle in such a way that it comprises those management levels throughout the Group below the Executive Board of Nagarro SE who are members of the management bodies of the significant affiliated companies of Nagarro SE, depending on the size and development of the affiliated companies.

#### **4. Maximum remuneration under the new remuneration system**

The maximum expense of the Company for a member of the Executive Board can be derived mathematically from the fixed salary for each financial year. In addition, the remuneration system proposed by the Supervisory Board pursuant to Section 87a para. 1 sentence 2 no. 1 AktG sets an absolute amount of EUR 1,000,000.00 as the maximum amount of remuneration granted to a member of the Executive Board in a financial year (maximum remuneration).

There are still no clear guidelines on how stock options are to be taken into account when determining the maximum remuneration. In the present case, the maximum remuneration includes a cap on the amount that may be received annually by members of the Executive Board from the exercise of stock options. Such an inflow is possible for the first time in 2025. The maximum remuneration currently achievable is significantly below the maximum remuneration specified.

In accordance with its conception under stock corporation law, the maximum remuneration is not the level of remuneration sought by the Supervisory Board. It merely sets an absolute upper limit on the total annual remuneration achievable under the remuneration system. It includes the possible exercise of stock options by members of the Executive Board after expiry of the relevant vesting period.

#### **5. Exceptional developments and deviation possibilities**

The criteria for measuring performance-related remuneration and the annual target values set by the Supervisory Board before the beginning of the financial year are not changed in the course of a financial year. Subsequent modification of the design criteria or the target values is also excluded.

Exceptional developments that could lead to unreasonably high remuneration for a member of the Executive Board are countered by capping the annual bonus. If extraordinary developments lead to unreasonably low remuneration, the Company may, by resolution of the Supervisory Board, grant a discretionary bonus to a member of the Executive Board in the event of special performance and success.

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 welfare of the Company and the remuneration system specifies the procedure for deviation and the components of the remuneration system from which deviation is possible. Procedurally, such a deviation requires an express resolution of the Supervisory Board in which the duration of the deviation, the deviation as such and the specific reason for it are to be determined. The Supervisory Board may deviate from the following components of the remuneration system: regulations on the procedure, the remuneration structure and amount, and individual remuneration components. In particular, the relative proportions of the individual remuneration components and their respective conditions may be deviated from and the fixed

salary may also be temporarily set differently in individual cases if this is necessary in the interests of the long-term well-being of the Company. Examples include the alignment of the remuneration system in the event of a significant change in corporate strategy that requires a change in incentives, or external circumstances such as a severe economic crisis.

#### **6. Clawback rule for variable remuneration**

So-called clawback regulations are currently not provided for. The possibility of asserting claims for damages against members of the Executive Board, which may also include the Executive Board remuneration paid, remains unaffected.

#### **7. Offsetting of remuneration from Supervisory Board mandates**

Remuneration from any Supervisory Board mandates or other dual mandates within the Group shall be offset against the Fixed Remuneration. If a member of the Executive Board wishes to accept a Supervisory Board mandate outside the Group with the approval of the Supervisory Board, the Supervisory Board shall decide within the framework of the required approval resolution whether and to what extent the external remuneration shall be offset against the Fixed Remuneration.

#### **8. Benefits upon commencement of service on the Executive Board**

The Supervisory Board may agree with newly appointed members of the Executive Board on the occasion of their taking up their Executive Board duties on payments by the Company to compensate for disadvantages, in particular for the forfeiture of benefits from their previous employer (e.g. pension commitments), to cover start-up-related costs, in particular in the event of a change of location, or as an incentive for the change. It shall decide at its due discretion and within the limits of the maximum remuneration whether and to what extent it will agree to such additional remuneration payments by way of exception and shall determine the amount of the payments in individual contracts. Such commitments are disclosed separately in the remuneration report.

#### **9. Contractual terms and commitments in connection with the termination of Executive Board activities**

In appointing members of the Executive Board and in determining the duration of their contracts, the Supervisory Board observes the requirements of Section 84 AktG and the recommendations of the German Corporate Governance Code. The employment contracts of members of the Executive 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.

Notwithstanding any right to extraordinary termination, the Company agrees that in the event of premature termination of the mandate of a member of the Executive Board, the Executive Board member's contract of employment may be terminated prematurely by ordinary notice of termination in compliance with the period of notice specified in Section 622 para. 2 BGB. In calculating the period, the entire duration of the employment relationship with the Company, including any employment prior to joining the Executive Board, shall be taken into account. In the event of premature termination of the employment relationship through ordinary termination by the

Company, a severance payment to the member of the Executive Board amounting to 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 accordingly. In the event of extraordinary termination of the employment relationship by the Company for good cause, no severance payment shall be granted.

The amount of annual remuneration used to calculate the severance payment cap is the sum of the fixed salary and the annual bonus for the last full financial year before the end of the employment contract. If the employment contract existed for a period of less than a full financial year, the amount of the annual bonus is based on the target bonus.

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 on such benefits by way of exception, it will report on them.

The Supervisory Board may agree on post-contractual non-competition clauses with members of the Executive Board that provide for remuneration payable by the Company for the duration of the existence of the post-contractual non-competition clause of up to two years. For the duration of the restrictions on competition, the respective member of the Executive Board receives a monthly remuneration amounting to 50% of one-twelfth of the then applicable total direct remuneration (fixed salary and target bonus), beginning with the month following the end of the employment contract. An offsetting of earnings earned elsewhere or maliciously omitted shall take place in accordance with Section 74c HGB. The compensation will be offset against any severance payment. In the event of termination for good cause, the party entitled to terminate may cancel the post-contractual restriction on competition within one month of termination. Furthermore, the Company may waive the restrictions on competition at any time with a notice period of 6 months, with the consequence that the entitlement to waiting compensation ends upon expiry of the notice period.

In the event that a member of the Executive Board becomes permanently incapacitated for work during the term of his employment contract, the employment contract shall end at the end of the sixth month after the permanent incapacity for work is established, unless the regular contractual term under the employment contract ends earlier. Permanent incapacity to work exists if the member of the Executive Board is likely to be permanently unable to perform the duties assigned to him without restriction.

If a member of the Executive Board dies during the term of employment, the widowed spouse and the dependent children living in the same household as the member of the Executive Board, provided they have not yet reached the age of 25, shall be entitled as joint creditors to continued payment of the agreed Executive Board remuneration for the month of death and the following 6 months.

## **10. Remuneration report**

The Executive Board and the Supervisory Board shall prepare an annual report on the remuneration granted and owed to the members of the Executive Board and the Supervisory Board by the Company and its affiliated companies in the past financial

year. This remuneration report will be audited by the auditor and submitted to the Company's General Meeting for approval.

## **2. The remuneration system for members of the Supervisory Board**

The remuneration of the members of the Supervisory Board is governed by section 17 of the Articles of Association. This currently has the following wording:

### **"17. Remuneration**

- 17.1 Each member of the Supervisory Board shall receive a fixed annual remuneration of EUR 15,000.00 (hereinafter referred to as "Fixed Remuneration") as well as remuneration of EUR 2,000.00 for attending each meeting of the Supervisory Board (hereinafter referred to as "Daily Meeting Allowance").
- 17.2 Each member of the Supervisory Board shall also receive an annual remuneration based on the long-term success of the Company in the amount of EUR 1,000.00 for each full EUR 100,000.00 (the "Assessment Basis") of earnings before taxes and minority interests in the consolidated financial statements of the Company (hereinafter referred to as "EBT") by which the EBT for financial year exceeds the amount of EUR 300,000.00 (hereinafter referred to as the "Performance-Related Remuneration"). A further prerequisite for entitlement to the Performance-Related Remuneration is that the EBT of the last three financial years must amount to at least EUR 300,000.00 on average. The upper limit of the Performance-Related Remuneration for each member of the Supervisory Board is a maximum of EUR 200,000.00.
- 17.3 The Chairman of the Supervisory Board receives twice the amount of the Fixed Remuneration. The chairman of a meeting of the Supervisory Board receives twice the amount of the Meeting Allowance.
- 17.4 The Fixed Remuneration and the Daily Meeting Allowance are due in each case after the end of the financial year for the past financial year, and the Performance-Related Remuneration is due in each case after adoption of the annual financial statements and approval of the consolidated financial statements for the financial year in question.
- 17.5 Members of the Supervisory Board joining or leaving the Supervisory Board within a financial year shall receive the Fixed Remuneration and the Performance-Related Remuneration pro rata temporis, rounded up or down to full months.
- 17.6 The Company shall reimburse each member of the Supervisory Board, upon his request and upon presentation of proof, for necessary and reasonable expenses incurred in the performance of his duties and for any value-added tax payable on the remuneration and the reimbursement of expenses.
- 17.7 The Company may take out a D&O insurance policy for the benefit of the members of the Supervisory Board with an appropriate coverage amount for the members of the Supervisory Board, which covers the liability arising from the Supervisory Board activities."

Section 17 of the Articles of Association is to be amended as described under agenda item 6 to the effect that a pure Fixed Remuneration is paid. The underlying remuneration system is as follows, applying Section 87a para. 1 sentence 2 AktG mutatis mutandis:

The Supervisory Board of Nagarro SE is required to supervise the Executive Board in its management of the company both in terms of the past and preventively. For this, it receives an appropriate and at the same time competitive remuneration. This enables the Company to attract and retain suitable candidates for the office of member of the Supervisory Board. The remuneration aims to remunerate the members of the Supervisory Board appropriately for the diligent and conscientious performance of the supervision of the Executive Board. In this way, it contributes to the promotion of the business strategy and the long-term development of the Company.

In accordance with the ideas of the German Corporate Governance Code and common practice, the members of the Supervisory Board receive only Fixed Remuneration. This strengthens the independence of the Supervisory Board. The Executive Board and the Supervisory Board are of the opinion that a purely Fixed Remuneration promotes an objective and neutral performance of the advisory and supervisory function as well as independent personnel and remuneration decisions in relation to the Executive Board to a greater extent than the existing form of remuneration.

In accordance with Recommendation G.17 of the German Corporate Governance Code, the higher time commitment of the Chairman and Vice Chairman is appropriately taken into account by increasing the Meeting Fee.

If members of the Supervisory Board belong to the Supervisory Board for only part of a financial year, they shall receive one twelfth of the annual remuneration for each month of membership, rounded up or down to full months. The fixed annual remuneration and the Meeting Fee are payable annually after the end of the financial year, the variable remuneration after adoption of the annual financial statements and approval of the consolidated financial statements.

In addition, the Articles of Association stipulate that the Company may, in its own interest and at its own expense, maintain an appropriate level of pecuniary loss liability insurance for its executive bodies and, where appropriate, shall include the members of the Supervisory Board in the insurance. There are no other remuneration-related legal transactions concerning the remuneration of the Supervisory Board, nor are any such transactions intended.

The amount of remuneration set out in the Articles of Association shall be commensurate with the duties of the members of the Supervisory Board and the situation of the Company and shall also be customary in comparison with the Supervisory Board remuneration of other listed companies. The Supervisory Board shall review the reasonableness of remuneration in this sense on a regular basis, at least every four years in preparation for the proposal to the General Meeting on the remuneration of the members of the Supervisory Board. A vertical comparison of Supervisory Board remuneration with the remuneration of employees of the Company or the Group as a whole does not take place due to the special nature of Supervisory Board activities. Since Supervisory Board remuneration is regulated in the Articles of Association and must be approved by the General Meeting, any conflicts of interest are already adequately addressed systemically when it is determined.

### III. FURTHER INFORMATION ON THE CONVENING

In accordance with Section 1 para. 1 and para. 2 of the German Act on Measures in Company, Cooperative, Association, Foundation and Condominium Law to Combat the Effects of the COVID-19 Pandemic of March 27, 2020 (C19-AuswBekG), the Executive Board has decided, with the approval of the Supervisory Board, that the General Meeting will be held as a so-called virtual General Meeting without the physical presence of the shareholders or their proxies. This method of holding the General Meeting leads to modifications in the procedures of the General Meeting as well as in the rights of the shareholders.

**We therefore ask shareholders to pay particular attention to the following information on registering for the General Meeting, exercising voting rights and other shareholder rights.**

#### 1. Entitlement to participate in the virtual General Meeting and to exercise voting rights

Shareholders who are entered in the Company's share register and have registered in good time prior to the General Meeting are entitled to attend the virtual General Meeting and exercise their voting rights.

The registration for the General Meeting must be received by the Company no later than six days prior to the General Meeting (not counting the day of the General Meeting and the day of receipt), i.e. no later than **August 24, 2021 (12:00 midnight CEST)** by mail, fax, or email at the following address:

**Nagarro SE**  
c/o Computershare Operations Center  
80249 Munich  
Fax: +49 89 30903-74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Shares are not blocked by registering for the virtual General Meeting. Shareholders can therefore continue to freely dispose of their shares even after registration. The shareholding entered in the share register on the day of the virtual General Meeting shall be decisive for participation and voting rights. This will correspond to the number of shares held as of the registration deadline on August 24, 2021 (12:00 midnight CEST), as no changes will be made to the share register with effect from the end of the registration deadline until the end of the day of the General Meeting on August 31, 2021 for technical reasons (register change stop). The technical record date is therefore the end of August 24, 2021. Acquirers of shares in the Company that are not yet entered in the share register are therefore requested to submit register change applications as soon as possible.

#### 2. Absentee ballot

Shareholders may cast, change, and revoke their votes in writing or by means of electronic communication by absentee ballot. Proper registration is required to exercise voting rights by absentee ballot. In particular, votes can be submitted electronically using the access-protected InvestorPortal of Nagarro SE at <https://www.nagarro.com/de/investor-relations/agm>. This option is available until

**immediately before the start of voting at the General Meeting on August 31, 2021.**

Absentee ballots transmitted by other means or their amendment or revocation must be submitted by no later than **August 30, 2021 (12:00 midnight CEST)** at the address below (by mail, fax, or email) in order to be considered at the General Meeting:

**Nagarro SE**  
c/o Computershare Operations Center  
80249 Munich  
Fax: +49 89 30903-74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

### **3. Proxy voting**

#### **3.1 Authorization of a third party**

Shareholders may also have their voting rights or other rights relating to the General Meeting exercised by a proxy, e.g. by an intermediary, the depositary bank or a shareholders' association. In the case of proxy voting, timely registration by the shareholder is also required – as stated above under III.1.

The granting of proxy, its revocation and proof of authorization must be in text form (on the exceptions for proxies pursuant to Section 135 AktG, see below under III.3.2). The proxy form sent with the registration documents can be used to grant a proxy.

The proxy and its revocation may either

- (1) be issued in text form to the Company exclusively at the following address (by mail, fax, or email)

**Nagarro SE**  
c/o Computershare Operations Center  
80249 Munich  
Fax: +49 89 30903 74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

- (2) be issued in text form to the proxy.

If the power of attorney is granted in text form to the proxy, proof of the authorization in text form is required vis-à-vis the Company – unless otherwise provided for in Section 135 AktG (see section III.3.2). The proof of authorization may be sent to the Company at the above address, including the option of electronic communication (email) mentioned therein or transmitted via the InvestorPortal of Nagarro SE.

**Such proxies may not physically attend the General Meeting. They may only exercise voting rights for shareholders they represent by absentee ballot or by issuing a (substitute )power of attorney to the proxies appointed by the Company.**

### **3.2 Voting by proxy through an intermediary, a shareholders' association, or equivalent persons (Section 135 AktG)**

Insofar as a proxy is granted to an intermediary, a shareholders' association or a person or institution equivalent to these with regard to the exercise of voting rights in accordance with the provisions of stock corporation law, the granting of proxy and its revocation do not require text form in accordance with the statutory provisions. In this case, it is sufficient for the proxy declaration to be verifiably recorded by the authorized representative. Intermediaries and shareholders' associations as well as persons and institutions equivalent to them pursuant to Section 135 AktG may provide for deviating regulations for their own authorization; please coordinate this with the persons to be authorized in each case. In this case, no separate proof of authorization is required vis-à-vis the Company.

The statements under III.3.1, last paragraph, apply accordingly.

### **3.3 Voting by proxies of the Company**

We offer all shareholders the opportunity to be represented by our proxies. Proper registration is also required in this case. If the proxies appointed by the Company are authorized, they must in any case be given instructions on how to exercise the voting rights. The authorization and instructions must be issued in text form. Powers of attorney and instructions to the proxies of the Company may in particular be issued, amended, or revoked **until immediately before the start of voting at the General Meeting on August 31, 2021** via the access-protected InvestorPortal of Nagarro SE at <https://www.nagarro.com/de/investor-relations/agm>.

The proxy and instruction form sent with the registration documents may be used to authorize proxies by other means. Powers of attorney and instructions or their revocation or amendment must be received no later than **August 30, 2021 (12:00 midnight CEST)** at the address below (by mail, fax, or email) in order to be considered at the General Meeting:

**Nagarro SE**  
c/o Computershare Operations Center  
80249 Munich  
Fax: +49 (0) 89 30903 74675  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

Proxies may not be authorized to ask questions on behalf of shareholders, to submit motions or to file objections.

## **4. Rights of the shareholders pursuant to Article 56 sentence 2 and sentence 3 of the SE Regulation, Section 50 para. 2 of the German SE Implementing Act (SEAG - Gesetz zur Ausführung der Verordnung (EG) Nr. 2157/2001 des Rates vom 8. Oktober 2001 über das Statut der Europäischen Gesellschaft (SE)), Sections 122 para. 2, 126 para. 1, 127, 131 para. 1 AktG, Section 1 para. 2 C19-AuswBekG**

### **4.1 Requests for additions to the agenda (Article 56 sentence 2 and sentence 3 SE Regulation, Section 50 para. 2 SEAG, Section 122 para. 2 AktG)**

Shareholders whose shares together amount to one-twentieth of the share capital (5%) or the pro rata amount of EUR 500,000.00 may request that items be placed



on the agenda and published. Each new item must be accompanied by a statement of reasons or a draft resolution. The request must be addressed in writing to the Executive Board of Nagarro SE and must be received by the Company no later than 30 days prior to the meeting, i.e. by **July 31, 2021 (24:00 CEST)**. Please send such requests to the following address:

**Nagarro SE**  
Executive Board  
Einsteinstrasse 172  
81677 Munich

Additions to the agenda that are to be announced – insofar as they have not already been announced with the convening notice – shall be published in the Federal Gazette without undue delay after receipt of the request and forwarded for publication to such media as can be expected to disseminate the information throughout the European Union. They will also be published on the Company's website at <https://www.nagarro.com/de/investor-relations/agm> and communicated to shareholders.

#### **4.2 Countermotions and election proposals pursuant to Sections 126 para. 1, 127 AktG**

Shareholders may submit to the Company countermotions to proposals by the Executive Board and/or Supervisory Board on specific agenda items as well as election proposals. Countermotions to be made available must be accompanied by a statement of grounds; election proposals to be made available must not. Countermotions, election proposals and other inquiries from shareholders regarding the General Meeting must be sent exclusively to the following address:

**Nagarro SE**  
Einsteinstrasse 172  
81677 Munich  
Fax: +49 89 998421 11  
Email: hv@nagarro.com

Countermotions or election proposals addressed otherwise will not be considered. We will publish all countermotions and election proposals from shareholders received at the above address, including the name of the shareholder and the reasons, to be made available in accordance with Section 126 AktG and Section 127 AktG by no later than the end of **August 16, 2021 (12:00 midnight CEST)**, on the Company's website at <https://www.nagarro.com/de/investor-relations/agm> without undue delay after their receipt. Any comments from the administration will also be published there.

Motions or nominations for election by shareholders which are to be made available pursuant to Section 126 or Section 127 AktG shall be deemed to have been made at the meeting if the shareholder making the motion or submitting the nomination is duly authorized and has registered for the General Meeting.

#### **4.3 Shareholders' right to ask questions pursuant to Sections 131 para. 1 AktG in conjunction with Section 1 para. 2 sentence 1 no. 3, sentence 2 C19-AuswBekG**

After proper registration, shareholders have the right to ask questions by electronic communication. The Executive Board shall use its best judgment in deciding how to answer questions.

Shareholders' questions must be submitted no later than one day before the main meeting, i.e. no later than the close of **August 29, 2021 (12:00 midnight CEST)**, **exclusively by way of electronic communication** via the access-protected InvestorPortal of Nagarro SE at <https://www.nagarro.com/de/investor-relations/agm>. No questions may be asked during the General Meeting.

**5. Information on the Company's website and broadcast of the General Meeting**

This invitation to the General Meeting and the other information and documents referred to in Section 124a AktG can be downloaded from the Company's website at <https://www.nagarro.com/de/investor-relations/agm>.

Our shareholders or their proxies can also follow the entire General Meeting on August 31, 2021 (from 10:00 a.m. CEST) via Nagarro SE's access-protected InvestorPortal at <https://www.nagarro.com/de/investor-relations/agm>.

**6. Objection to a resolution at the General Meeting**

Shareholders and proxies who have exercised their voting rights may, in accordance with Section 245 no. 1 AktG in conjunction with Section 1 para. 2 sentence 1 no. 4 C19-AuswBekG, object to a resolution passed by the General Meeting from its commencement until its closure by the chairman of the meeting on August 31, 2021 via the access-protected InvestorPortal of Nagarro SE at <https://www.nagarro.com/de/investor-relations/agm>.

**7. Total number of shares and voting rights**

The total number of shares in Nagarro SE at the time of convening the General Meeting is 11,576,513. The total number of voting rights at the time of convening the General Meeting is 11,576,513.

Munich, July 2021

**Nagarro SE**

**The Executive Board**

**Information for shareholders on data protection with regard to the collection of data for the purposes of the General Meeting**

In connection with the virtual General Meeting on August 31, 2021, the Company, as the data controller within the meaning of data protection law, processes personal data (in particular the name, date of birth, address and other contact data of the shareholder, email address if applicable, number of shares, type of share ownership, and, if applicable, the name and address of the shareholder representative authorized by the respective shareholder) on the basis of the applicable data protection provisions. Information for shareholders on data protection is available on the Company's website at <https://www.nagarro.com/de/investor-relations/agm>.

**Annex to agenda item 7 of the convening of the Annual General Meeting of Nagarro SE on August 31, 2021: Merger Agreement between Nagarro Holding GmbH as transferring entity and Nagarro SE as acquiring entity dated July 19, 2021**

**M E R G E R A G R E E M E N T**

This Agreement is concluded

between

- (1) **Nagarro SE**, Einsteinstr. 172, 81677 Munich ("**NAGARRO**"), and
- (2) **Nagarro Holding GmbH**, Einsteinstr. 172, 81677 Munich ("**NHG**")

(NAGARRO and NHG individually hereinafter each a "**Party**" and collectively the "**Parties**").

**PREAMBLE**

- (A) NAGARRO is a stock corporation, registered in the Commercial Register of the Munich Local Court under HRB 254410. The share capital of NAGARRO amounts to EUR 11,576,513.00 and is divided into 11,576,513 no-par value registered shares, each with a notional interest in the share capital of EUR 1.00 (the "**NAGARRO Shares**"). NAGARRO Shares are admitted to trading on the regulated market (SDAX) of the Frankfurt Stock Exchange under ISIN DE000A3H2200. Furthermore, NAGARRO Shares are traded over the counter on the stock exchanges in Berlin, Düsseldorf, Hamburg, Munich and Stuttgart. The financial year of NAGARRO is the calendar year.
- (B) NHG is a limited liability company, registered in the Commercial Register of the Munich Local Court under HRB 213425. The share capital of NHG amounts to EUR 67,534.00 and is divided into 67,534 shares with the consecutive numbers 1 to 67,534 and a nominal amount of EUR 1.00 each (the "**NHG Shares**"). The financial year of NHG is the calendar year.
- (C) NAGARRO holds 42,017 NHG Shares. The other shares are held as follows: 2,499 NHG Shares by All Nag Beteiligungs GmbH & Co. KG, registered in the Commercial Register of the Munich Local Court under HRA 114373, ("**ANB**"), 2,499 NHG Shares by StarView Capital Growth Fund, LLC ("**SV LLC**") and 2,985 NHG Shares by SPP Co-Investor GmbH & Co. KG, registered in the Commercial Register of the Munich Local Court under HRA 105350 ("**SPPKG**") (ANB, SV LLC and SPP KG hereinafter the "**Entitled NHG Shareholders**"). NHG also holds 17,534 treasury NHG Shares.
- (D) The Parties intend to transfer the assets of NHG as a whole to NAGARRO by way of merger by absorption against the granting of shares. In this context, NAGARRO will increase its share capital from currently EUR 11,576,513.00 by EUR 2,199,472.00 to EUR 13,775,985.00 by issuing 2,199,472 new NAGARRO Shares. Insofar as NAGARRO is a shareholder of NHG, it may not increase its share capital in accordance with Section 68 para. 1 sentence 1 no. 1 of the German Transformation Act (*UmwG – Umwandlungsgesetz*) in order to implement the merger.

**NOW THEREFORE** the Parties agree as follows:

**1. Asset transfer**

NHG as the transferring legal entity shall transfer its assets as a whole with all rights and obligations to NAGARRO as the acquiring legal entity, excluding liquidation pursuant to Section 2 para. 1 UmwG (merger by absorption).

**2. Merger Effective Date and Tax Effective Date**

2.1 From the beginning (12:00 a.m.) of 1 January 2021 (the "Merger Effective Date"), all acts and transactions of NHG shall be deemed to have been made for the account of NAGARRO. The tax effective date is midnight on 31 December 2020 (the "Tax Effective Date").

2.2 The merger will be based on the balance sheet of NHG as of 31 December 2020 as the closing balance sheet within the meaning of Section 17 para. 2 UmwG in conjunction with Section 4 of the German Act on Measures in Company, Cooperative, Association, Foundation and Condominium Law to Combat the Effects of the COVID-19 Pandemic (*GesRueCOVBekG – Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie*).

2.3 If the merger has not become effective by the end of 30 April 2022 by registration in the Commercial Register of NAGARRO, the merger shall be based on the balance sheet of NHG as of 31 December 2021, in derogation from Clause 2.2, and in derogation from Clause 2.1, the Merger Effective Date shall be postponed to the beginning (12:00 a.m.) of 1 January 2022, and the Tax Effective Date shall be postponed to the end (midnight) of 31 December 2021. In the event of a further delay in the effective date of the merger beyond 30 April of the respective subsequent year, the effective dates shall be postponed by one year in each case in accordance with the above provision.

**3. CONSIDERATION, TRUSTEE, CAPITAL MEASURES**

3.1 As consideration for the transfer of the assets of NHG to NAGARRO, the Entitled NHG Shareholders shall receive, on a pro rata basis and free of charge, no-par value registered shares in NAGARRO corresponding to their previous shareholding in NHG, based on a fixed arithmetical exchange ratio of 275.5197420091868 NAGARRO Shares for one NHG Share. In order to avoid partial rights to shares arising on the basis of this exchange ratio (so-called share fractions), the following specific consideration was determined: ANB and SV LLC will each receive 688,523 new NAGARRO Shares for the 2,499 NHG Shares held by them, and SPP KG will receive 822,426 new NAGARRO Shares for the 2,985 NHG Shares held by it. The Entitled NHG Shareholders will thus receive a total of 2,199,472 no-par value registered shares in NAGARRO for the 7,983 NHG Shares held by them in total. To the extent that the Entitled NHG Shareholders could be entitled to a higher number of NAGARRO Shares in terms of value on the basis of the aforementioned determined arithmetical exchange ratio, they have waived the granting of shares pursuant to Section 68 para. 1 sentence 3 UmwG by notarized declaration. Insofar as NAGARRO is a shareholder of NHG, there shall be no capital increase at NAGARRO (Section 68 para. 1 sentence 1 no. 1 UmwG). Insofar as NHG holds treasury shares, there shall also be no capital increase at NAGARRO (Section 68 para. 1 sentence 1 no. 2 UmwG). No additional cash payment is granted to the Entitled

NHG Shareholders; they have waived such additional cash payment as a precaution.

- 3.2 The shares to be granted by NAGARRO shall be entitled to profits for the entire financial year commencing on 1 January 2021. In the event that the Effective Merger Date is postponed pursuant to Clause 2.3 of this Agreement, the beginning of the profit entitlement of the shares to be granted shall be postponed to the beginning of the financial year of NAGARRO in which the merger becomes effective.
- 3.3 To implement the merger, NAGARRO will increase its share capital from EUR 11,576,513.00 by EUR 2,199,472.00 to EUR 13,775,985.00 by issuing 2,199,472 registered no-par value shares, each with a notional interest in the share capital of NAGARRO of EUR 1.00. The capital increase will be carried out under exclusion of the subscription rights of the existing shareholders of NAGARRO against contribution in kind.
- 3.4 The contribution in kind is the assets of NHG, which will be transferred to NAGARRO as part of the merger. To the extent that the value at which assets of NHG are taken over by NAGARRO exceeds the amount of the capital increase, the excess amount shall be transferred to the capital reserve of NAGARRO pursuant to Section 272 para. 2 no. 1 of the German Commercial Code (*HGB – Handelsgesetzbuch*).
- 3.5 NAGARRO will appoint M.M. Warburg & CO (AG & Co.) Kommanditgesellschaft auf Aktien, Hamburg, as trustee for the receipt of the shares in NAGARRO to be granted to the Entitled NHG Shareholders and their delivery to the Entitled NHG Shareholders. Possession of the shares to be granted will be conveyed to the trustee prior to registration of the merger and the trustee will be instructed to procure the shares for the Entitled NHG Shareholders after registration of the merger in the Commercial Register of NAGARRO or, in the event of a final failure of the merger, to transfer the shares to NAGARRO or – upon its instruction – to destroy them.
- 3.6 NAGARRO will apply for admission of the new shares to trading on the regulated market of the Frankfurt Stock Exchange in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard).
- 3.7 NHG undertakes not to make any dispositions or take any other measures in respect of treasury NHG Shares it holds until the merger takes effect.

#### **4. SPECIAL RIGHTS**

Individual direct and indirect shareholders of the Parties shall – with the exception of the capital increase of NAGARRO to be carried out in connection with the merger by issuing new shares – not be granted any rights within the meaning of Section 5 para. 1 no. 7 UmwG. No special rights within the meaning of Section 5 para. 1 no. 7 UmwG exist with respect to the Parties and no measures within the meaning of Section 5 para. 1 no. 7 UmwG are envisaged.

#### **5. SPECIAL ADVANTAGES**

- 5.1 Subject to the precautionary circumstances set out in Clause 5.2 and Clause 5.3, no special benefits shall be granted to members of representative or supervisory bodies of the legal entities involved in the merger, an auditor or a merger auditor (Section 5 para. 1 no. 8 UmwG).

5.2 The position of the managing directors of NHG shall end when the merger takes effect. The sole managing director of NHG, Mrs. Anette Mainka, is also a member of the board of directors of NAGARRO. This legal position shall remain unaffected by the merger and shall not be changed. There are no management employment contracts at NHG. The merger therefore does not trigger any severance or other claims in favor of the managing directors of NHG.

5.3 The members of the Board of Management of NAGARRO, Manas Fuloria and Vikram Sehgal, each hold an indirect interest of approximately 5% in the share capital of NHG (excluding treasury shares). They will therefore each indirectly receive 688,523 NAGARRO Shares in the course of the merger, corresponding to approximately 5% of the share capital of NAGARRO (after capital increase).

## **6. CONSEQUENCES OF THE MERGER FOR EMPLOYEES AND THEIR REPRESENTATIVE BODIES**

6.1 The employment relationships existing at NAGARRO shall not be affected by the merger, but shall continue unchanged in terms of content even after the merger with NAGARRO takes effect.

6.2 Upon the merger taking effect and the associated transfer of operations, all employment relationships existing with NHG shall be transferred to NAGARRO in accordance with Section 613a of the German Civil Code (BGB), Section 324 UmwG. The legal status existing at the time the merger takes effect shall be decisive for the content of the transferred employment relationships. Since NHG shall cease to exist pursuant to Section 20 para. 1 no. 2 UmwG, any additional joint and several liability of NHG within the meaning of Section 613a para. 2 German Civil Code (*BGB – Bürgerliches Gesetzbuch*) does not exist pursuant to Section 613a para. 3 BGB.

6.3 The employees of NHG affected by the transfer of operations shall be informed of the reasons for and consequences of the transfer of operations for the employees prior to the transfer of operations in accordance with Section 613a para. 5 BGB. The notification will be conducted by NHG in close coordination with NAGARRO. There is no right to object to the transfer of the respective employment relationship pursuant to Section 613a para. 6 BGB, as NHG ceases to be the former employer and cannot continue the employment relationships.

6.4 The contractual terms and conditions of employment of the transferred employees, including any company practices, general commitments and standard regulations, shall remain unchanged. This also applies to the place of work. Rights and entitlements based on earned length of service are also continued. This shall apply in particular to the calculation of notice periods of the transferring employees pursuant to Section 613a para. 1 sentence 1 BGB.

6.5 NHG has no pension or other benefit commitments.

6.6 A termination by the respective employer of the employment relationships which will be transferred upon effectiveness of the merger due to the transfer of operations caused by the merger shall be invalid (Section 613a para. 4 sentence 1 BGB in conjunction with Section 324 UmwG). The right to give notice of termination for other reasons shall remain unaffected in accordance with Section 613a para. 4 sentence 2 BGB.

- 6.7 The merger has no consequences under individual law for the employees of other companies of the NAGARRO Group. They shall remain employees of their respective companies; their employment relationships shall not be affected by the merger. The same applies to the company pension plan and the pension commitments by the companies at which the employees are respectively employed.
- 6.8 No measures are planned for the employees of NAGARRO, NHG or other companies of the NAGARRO Group (in particular no adverse measures such as redundancies or relocation of operations) in connection with the merger.
- 6.9 The merger does not lead to changes at the level of collective bargaining law. Neither NAGARRO nor NHG has employee representative bodies. The merger shall have no effect on any other employee representative bodies existing in the NAGARRO Group. The existence, composition and term of office of any employee representative bodies (in particular the Works Council) shall remain unchanged. There are no company agreements at NHG. Any otherwise existing company agreements within the NAGARRO Group shall continue to apply under collective law. Neither NAGARRO nor NHG or other companies of the NAGARRO Group are bound by collective bargaining agreements. Thus, even after the merger, no provisions of collective bargaining agreements apply.
- 6.10 NHG does not have a supervisory board. The Supervisory Board of NAGARRO shall continue to be composed solely of members of the shareholders after the merger has become effective. Even after the merger has become effective, the statutory requirements for the formation of a supervisory board with co-determination will not be met. An employee involvement procedure in accordance with the provisions of the German Law on the Involvement of Employees in a European Company (*SEBG – Gesetz über die Beteiligung der Arbeitnehmer in einer Europäischen Gesellschaft*) is not to be carried out at NAGARRO after the merger has taken effect.

## **7. CLOSING PROVISIONS**

- 7.1 This Agreement shall not become effective until the General Meeting of NAGARRO and the Shareholders' Meeting of NHG Holding have approved it and the merger has been entered in the Commercial Registers of NAGARRO and NHG.
- 7.2 If the Merger has not become effective by 31 December 2022, either Party may withdraw from this Agreement by giving written notice to the other Party.
- 7.3 A compensation offer pursuant to Section 29 UmwG is not required, as all shareholders of NHG have waived such an offer by notarized declaration.
- 7.4 Amendments and supplements to this agreement, including this written form clause, must be made in writing to be effective, unless mandatory law prescribes a stricter form.
- 7.5 Rights and obligations under this Agreement may not be assigned, in whole or in part, without the prior written consent of the other Party.
- 7.6 This Agreement shall be governed by the laws of the Federal Republic of Germany to the exclusion of the provisions of the Vienna UN Convention on Contracts for the International Sale of Goods (CISG).

- 7.7 All disputes arising out of or in connection with this Agreement or concerning its validity shall, with the exception of measures of interim relief, be finally settled by arbitration in accordance with the Arbitration Rules of the German Institution of Arbitration (*Deutsche Institution für Schiedsgerichtsbarkeit e.V.*, "DIS"), as amended from time to time, to the exclusion of the jurisdiction of state courts. The arbitral tribunal shall also make a binding decision on the validity of this arbitration clause. The place of arbitration shall be Munich. The number of arbitrators shall be three. The presiding arbitrator must be qualified to hold judicial office in the Federal Republic of Germany. The language of the proceedings shall be German, however, neither Party shall be obliged to provide translations of English language documents submitted for evidentiary or other purposes. Insofar as the DIS Arbitration Rules do not contain any provision on the arbitration proceedings or leave the proceedings to the discretion of the arbitral tribunal, the provisions of the German Code of Civil Procedure shall apply *mutatis mutandis*.
- 7.8 If any provision of this Agreement is or becomes void, invalid or unenforceable in whole or in part, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby. The void, invalid or unenforceable provision shall, to the extent permitted by law, be deemed to be replaced by such valid and enforceable provision as comes closest to the economic purpose pursued by the void, invalid or unenforceable provision. The same shall apply in the event that this Agreement should contain an unintended gap. It is the express intention of the Parties that the provision contained in this Clause 7.8 not only results in a reversal of the burden of proof, but also excludes the applicability of Section 139 BGB.

\* \* \*



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Germany**

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