



**Mister Spex SE**

**Berlin**

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**Annual General Meeting on 7 June 2024**

**INFORMATION ON ITEM 7 OF THE AGENDA:  
REMUNERATION SYSTEM FOR THE MEMBERS OF THE MANAGEMENT BOARD**

**1. Principles of the Management Board remuneration system**

Mister Spex SE was founded in 2007 and is one of the leading digitally native omnichannel retail brands in the optical industry in Europe. The Company offers its customers fashionable glasses, including prescription glasses, sunglasses and contact lenses. Thanks to the seamless omnichannel approach, Mister Spex creates an individual shopping experience and at the same time gives its customers the freedom to decide for themselves when, where and how they want to buy their glasses.

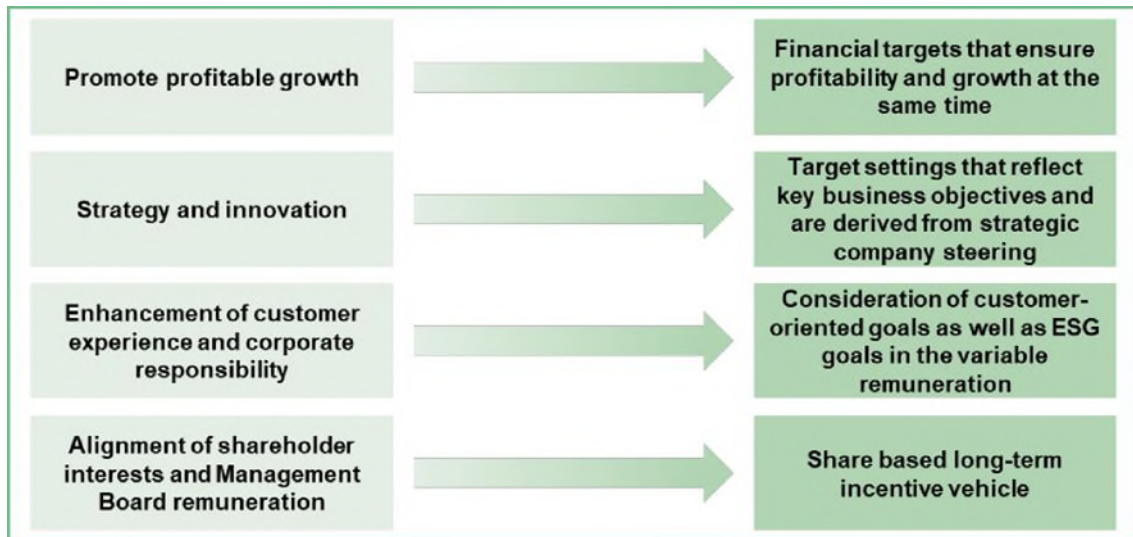
The data- and technology-driven core of the business model allows Mister Spex to continuously improve and innovate the experience of its customers and therefore fosters further growth and expansion. At the same time Mister Spex is aware of its responsibilities regarding the environment, employees and the surrounding community, particularly in times of ecological challenges and fast-paced consumption. Therefore, a number of important initiatives were launched to strengthen corporate responsibility and secure a sustainable success of the Company.

The remuneration system for the members of the Management Board reflects this business strategy and contributes significantly to the implementation of Mister Spex' corporate goals. It provides targeted incentives for the members of the Management Board to improve financial key figures used for corporate steering to promote further growth. In line with the corporate strategy, the remuneration system is also set to reward the fulfilment of non-financial goals, with a clear focus on customers and ESG initiatives, in order

to reinforce innovation and corporate responsibility. Furthermore, as shareholders are considered as one of the key stakeholders of Mister Spex, long-term variable remuneration is share-based to ensure a long-term alignment of interests between the Management Board and the shareholders.

The remuneration system for the members of the Management Board complies with the requirements of the German Stock Corporation Act (*Aktiengesetz – AktG*) and considers the recommendations and suggestions of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex – DCGK*).

The following principles were taken into account by the Supervisory Board in the design of the remuneration system to match the Company’s strategy with the remuneration of the Management Board:



## 2. Procedure for establishing, implementing and reviewing the remuneration system

The Supervisory Board is responsible for determining the remuneration system for the members of the Management Board in accordance with section 87a AktG. While the Supervisory Board plenum makes the final decision on the remuneration system, the Nomination and Remuneration Committee prepares the respective resolution. The remuneration system resolved by the Supervisory Board is subsequently presented to the Annual General Meeting for approval. If the Annual General Meeting does not approve the remuneration system, a revised remuneration system will be submitted for approval at the latest at the next regular Annual

General Meeting. Going forward, the Supervisory Board regularly reviews the remuneration system with the assistance of its Nomination and Remuneration Committee. Where following the review a material change is made to the remuneration system, the remuneration system is presented to the Annual General Meeting for re-approval. In line with section 120a para. 1 AktG, the remuneration system is submitted to approval at the latest every four years. The Supervisory Board as well as the Nomination and Remuneration Committee may engage an independent external remuneration expert when reviewing the remuneration system.

The Supervisory Board determines the total remuneration for each member of the Management Board on the basis of the applicable remuneration system. The Nomination and Remuneration Committee prepares the decision of the Supervisory Board. To do so, it may engage external experts who are independent of Mister Spex and the Management Board.

To assess the appropriateness of the total target remuneration of each member of the Management Board, the Supervisory Board considers the Management Board member's individual tasks and performance as well as the Company's overall situation and performance. Thereby, the Supervisory Board ensures that the level of remuneration does not exceed the usual level of remuneration without specific justifying reasons. To ensure that the total target remuneration of the members of the Management Board is in line with usual levels compared to other companies, the Supervisory Board conducts a horizontal comparison on a regular basis. The AktG and GCGC require an assessment of the appropriateness of the remuneration of the Management Board based on the criteria country, size and industry. Thus, an individual peer group consisting of companies in e-commerce, retail and tech with start-up character and competitors is typically defined by the Supervisory Board as relevant peer group. The Supervisory Board may adjust the composition of the relevant peer group from time to time taking into account the aforementioned criteria. The composition of the peer group as defined most recently is published in the remuneration report.

In order to assess whether the remuneration is appropriate within Mister Spex and to take the employees' remuneration and employment terms into consideration, the Supervisory Board conducts a vertical comparison. In accordance with the recommendations of the GCGC, the Supervisory Board assesses whether the

remuneration of the members of the Management Board is in line with usual levels within the Company itself. Therefore, the Supervisory Board takes into account the relationship between Management Board remuneration and the remuneration of senior managers and the overall workforce in Germany also over time.

In addition to the vertical comparison, the Supervisory Board also considers the remuneration and employment terms of the Company's employees when determining the target remuneration for Mister Spex' members of the Management Board. Hence, Mister Spex places great value on the consistency of the remuneration system. This includes ensuring a large degree of harmonization in remuneration components by setting similar incentives and goals to ensure the common pursuit of long-term and sustainable growth at Mister Spex.

### **3. Measures to avoid and manage conflicts of interest**

The rules regarding the avoidance and the management of conflicts of interest applicable to the Supervisory Board are valid also for establishing, implementing and reviewing the remuneration system. Where it comes to any conflicts of interest, the affected member of the Supervisory Board must disclose these to the Chairman of the Supervisory Board. In case conflicts of interest happen to arise for the Chairman of the Supervisory Board, he discloses these to the Deputy Chairman of the Supervisory Board. Subsequently, any conflict of interest will be disclosed to the Annual General Meeting. In case of conflicts of interest, the Supervisory Board takes appropriate measures to take account of the conflict of interest. Conflicted members of the Supervisory Board do not participate in discussions and resolutions or in the event of a permanent conflict of interest, the respective members of the Supervisory Board shall resign from the Supervisory Board of Mister Spex.

### **4. Components and structure of the remuneration system**

The remuneration system of Mister Spex consists of fixed and variable remuneration components. The fixed remuneration components comprise the base salary as well as fringe benefits. Mister Spex does not provide for – apart from contributions to a direct insurance – company pension arrangements for the members of the Management Board. The variable remuneration components comprise a short-term variable remuneration component (short-term incentive) based on an annual performance period as well as a long-term variable remuneration component (long-

term incentive). The latter is designed as a virtual stock option program (VSOP); Dirk Graber may also exercise vested stock options that were granted to him prior to the IPO of the Company under a legacy employee stock option program (ESOP) during the designated exercise period.

Next to the fixed and variable remuneration components, certain remuneration-related contractual arrangements are part of the remuneration system, for instance a maximum remuneration cap, malus and clawback provisions and a share ownership guideline. The key aspects of the remuneration system are summarized in the table below:

<b>Remuneration system for members of the Management Board</b>	
<b>Fixed remuneration</b>	
<b>Base salary</b>	<ul style="list-style-type: none"> <li>Fixed annual gross salary, payable in 12 equal monthly instalments</li> </ul>
<b>Fringe benefits</b>	<ul style="list-style-type: none"> <li>Insurance premiums</li> <li>Reimbursement of costs of annual medical check-up</li> <li>Payment of half of the contributions to health and nursing care insurance</li> <li>Employer contribution to individual pension direct insurance</li> </ul>
<b>Variable remuneration</b>	
<b>Short-term Incentive (STI)</b>	<ul style="list-style-type: none"> <li>Target bonus model</li> <li>Performance period: 1 year</li> <li>Financial goals (e.g. AEBITDA, net revenue growth) and non-financial goals (e.g. ESG goals)</li> <li>Cap: 150 %</li> <li>Payout in cash</li> </ul>
<b>Long-term Incentive (LTI)</b>	<ul style="list-style-type: none"> <li>Virtual Stock Option Plan (VSOP)</li> <li>Waiting period: 4 years</li> <li>Performance period: 3 years, starting with the grant date</li> <li>Performance target: Share Price-CAGR</li> <li>Exercise period: 3 years following end of waiting period</li> <li>Settlement: Generally in equity; cash settlement at discretion of Supervisory Board</li> <li>Vested Pre-IPO ESOP stock options may continue to be exercised during the designated exercise period</li> </ul>
<b>Other contract and system components</b>	

<b>Maximum remuneration</b>	<ul style="list-style-type: none"> <li>• EUR 3,500,000 p.a. für CEO/Co-CEOs</li> <li>• EUR 1,500,000 p.a. for ordinary members of the Management Board</li> </ul>
<b>Malus/Clawback</b>	<ul style="list-style-type: none"> <li>• Malus- und Clawback-provisions for compliance violations and/or incorrect financial reports for both STI and LTI</li> </ul>
<b>Share Ownership Guideline</b>	<ul style="list-style-type: none"> <li>• Equals at least two times (CEO/Co-CEOs)/one time (other members of the Management Board) the annual fixed gross base salary</li> <li>• Build-up phase of four years</li> </ul>

The remuneration system is applicable to all members of the Management Board as of 1 January 2024. To meet the legal requirement of section 87 para. 1 sentence 2 AktG the structure of the total target remuneration is directed towards a long-term and sustainable development of the Company. Therefore, the long-term variable remuneration at target generally outweighs the short-term variable remuneration at target achievement of 100%.

The Supervisory Board has defined ranges for the structure of the total target remuneration (based on a target achievement of 100% for each variable remuneration component) in order to provide individual and at the same time appropriate remuneration packages for current as well as potential future members of the Management Board.

Accordingly, the base salary accounts for approx. 30% - 40%, the short-term incentive for approx. 10% - 20% and the VSOP for approx. 45% - 55% of the total target remuneration.

## 5. Maximum remuneration

In accordance with section 87a para. 1 sentence 2 no. 1 AktG a maximum remuneration was defined comprising all remuneration components (i.e. base salary, fringe benefits, short-term and long-term incentive (ESOP, VSOP)). The maximum remuneration for the CEO and each Co-CEO is set at EUR 3,500,000 p.a. and for each other member of the Management Board at EUR 1,500,000 p.a. Potential severance payments are not included in the maximum remuneration.

The maximum remuneration refers to the total sum of all payments resulting from the remuneration granted for a given fiscal year. If the sum of the payments to a member of the Management Board for a fiscal year exceeds the respective

maximum remuneration, the last remuneration component to be paid out (generally the VSOP) is reduced accordingly.

## **6. Fixed remuneration**

### **6.1 Base salary**

Each member of the Management Board receives a fixed annual gross salary which is payable in 12 monthly instalments. In the event that a service agreement does not exist throughout the full 12 months of a calendar year, the fixed annual gross salary is prorated.

### **6.2 Fringe benefits**

The members of the Management Board are covered by an accident insurance for death and invalidity. In addition, the Company pays the members of the Management Board half of the contributions to the health and nursing care insurance of the Management Board, but not exceeding a monthly amount that would be payable if the respective member of the Management Board was insured with the statutory health insurance. Furthermore, Mister Spex reimburses costs for an annual medical check-up for each member of the Management Board limited to EUR 2,500 annually. Next to the fringe benefits stated, the members of the Management Board receive reimbursement of expenses (e.g. travel expenses).

While Mister Spex has not established a separate company pension arrangement for the members of the Management Board, Mister Spex gives an employer contribution in the amount of the social security savings if a member of the Management Board defers part of his/her remuneration into a direct insurance.

In order to attract the most suitable candidates, the Supervisory Board may grant newly joining members of the Management Board additional fringe benefits such as a housing allowance or relocation costs. If a newly joining member of the Management Board foregoes variable remuneration at his/her former employer, such amount may be compensated as a one-time payment. In addition, the Supervisory Board has the option of granting a one-time payment to new members of the Management Board upon taking office. Where such one-time payments occur, these will be disclosed separately in the remuneration report referring to the respective fiscal year of payment.

The aforementioned relative proportions of the fixed and variable components (section 4) may vary in the event of a one-time payment as referred to herein.

All fringe benefits including the named one-time payments are included in the maximum remuneration and therefore capped.

Members of the Management Board are covered by a D&O insurance. The Management Board's D&O insurance is subject to an excess amount of 10%.

## **7. Variable remuneration**

Mister Spex grants its members of the Management Board a significant portion of the annual total target remuneration as variable and thereby performance-based remuneration. By doing so, the pay for performance approach is ensured.

### **7.1 Short-Term Incentive**

Mister Spex grants its members of the Management Board a short-term incentive to incentivize the achievement of operational and / or strategic goals. The payout amount of the short-term incentive is determined as the product of the annual target amount as agreed-on in the respective service agreement of each member of the Management Board and the total target achievement which is based on the target achievement of usually multiple financial and non-financial goals. The payout amount is capped at 150% of the respective target amount and is settled in cash.

The respective performance criteria within in the financial and non-financial goals are strategy-derived and, irrespective of their measurement on an annual basis, also support the long-term and sustainable development of the Company.

For each fiscal year, the Supervisory Board defines the relevant performance criteria for the financial and non-financial goals which are usually additively linked. As Mister Spex clearly focuses on profitable growth, financial goals usually comprise performance criteria such as sales revenue or net revenue growth as well as profitability measures such as (adjusted) EBITDA.

With respect to the non-financial goals, the Supervisory Board defines performance criteria considering ESG aspects, such as, inter alia, net promoter score, natural resource and waste management, greenhouse gas emissions, employee



health and satisfaction, diversity, apprenticeship offerings or good governance. The Supervisory Board sets the respective performance criteria for the non-financial goals for each fiscal year.

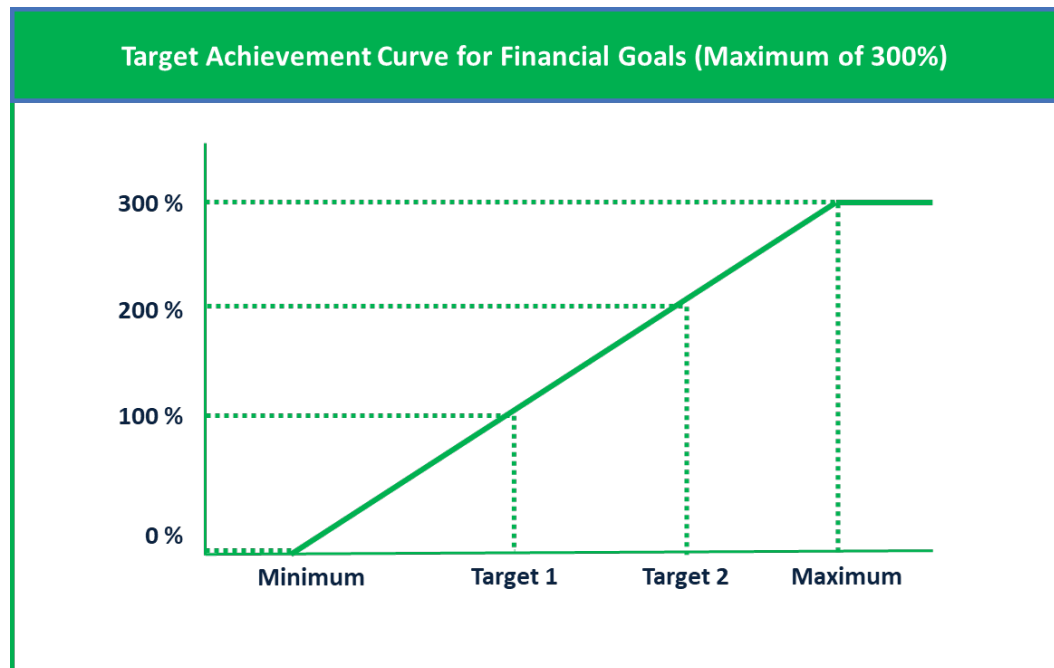
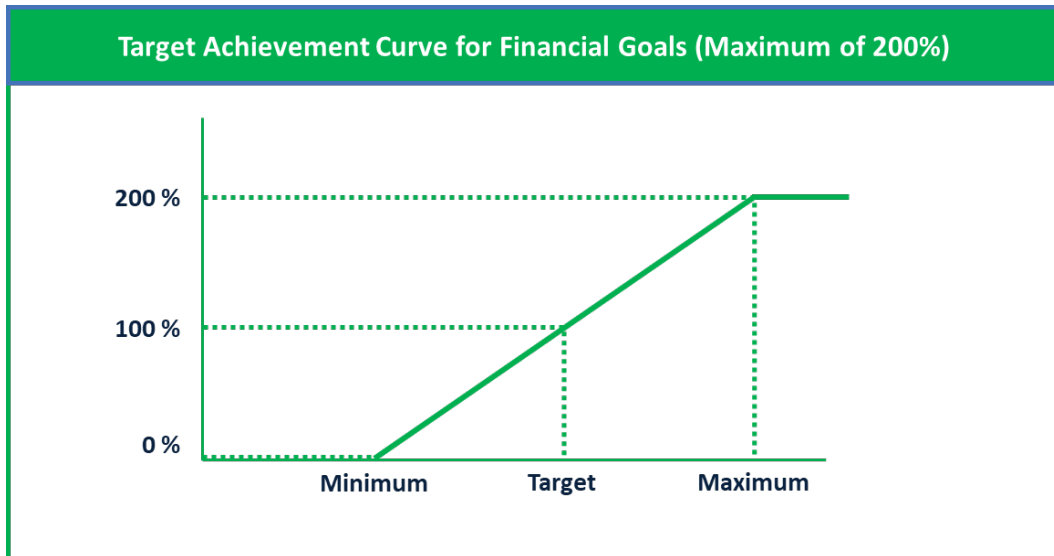
The Supervisory Board also determines the weighting of the selected performance criteria and the respective target values as well as corresponding minimum and maximum values for the fiscal year. At the maximum value, target achievement is capped, i.e., an actual value above the maximum value does not result in a higher target achievement.

For fiscal year 2024, sales revenue and adjusted EBITDA (AEBITDA) have been defined as financial goals. In determining the overall target achievement, sales revenues are weighted at 30 % and AEBITDA at 50 %. Sales revenue and AEBITDA are used as key financial indicators in the corporate management of Mister Spex. Sales revenue is the consolidated revenue of the Company as reported in the respective published annual reports. The turnover is composed of the sale of merchandise, services rendered from marketing and other services related to the core business. As an indicator of demand for Mister Spex products, sales revenues are therefore an important factor in increasing the value of the Company in the long term. In addition, sales revenues have a significant influence on the Group's annual result. The AEBITDA is earnings before interest, taxes, depreciation and amortization, adjusted for share-based compensation expenses pursuant to IFRS 2, onetime transformation costs and other special effects that are not part of the regular course of business. EBITDA reflects earnings power and is a common profitability indicator. In line with the Company's financial management system, adjusted EBITDA (AEBITDA) is used as part of the financial goals of the short-term incentive for 2024 in order to achieve alignment between financial management and Management Board remuneration.

Mister Spex is pursuing a clear growth course and intends to continue opening up new markets and gaining further market share. In doing so, growth is to remain profitable in order to ensure the Company's long-term financial success. Sales revenue and AEBITDA are thus key financial indicators in corporate management and contribute to the implementation of the corporate strategy.

The Supervisory Board defines a target value for the financials goals as well as corresponding minimum and maximum values. Target achievement can range

from 0% to 200% (target achievement cap) or between 0% and 300 % (target achievement cap), i.e., even an actual value above the defined maximum values results in a target achievement of 200% or 300%. In between the respective minimum and maximum values, linear interpolation is applied.

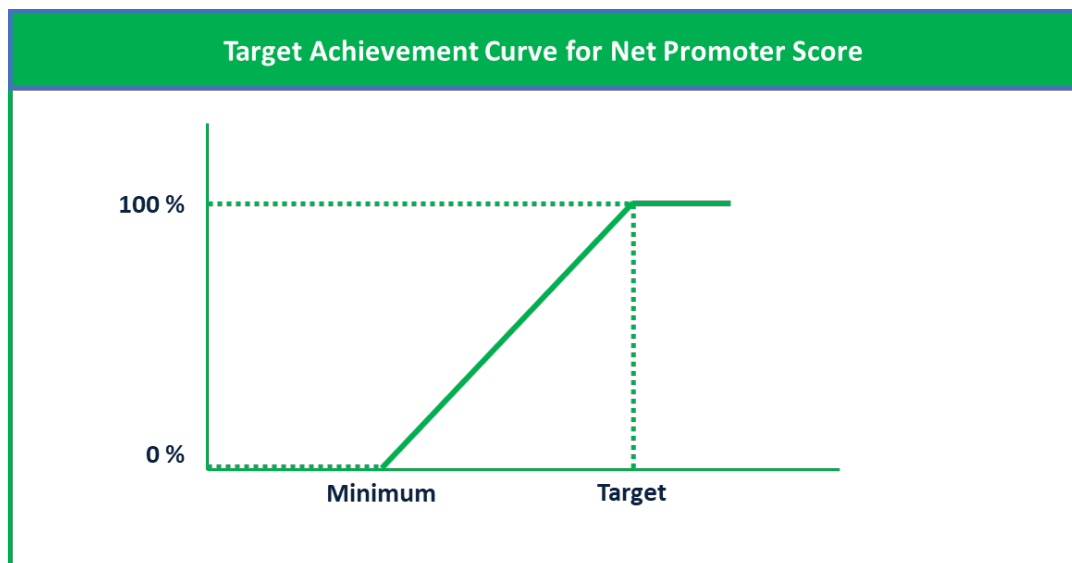


To further strengthen the aspect of profitable growth, target achievement for the performance criterion of sales revenue is zero, where a defined threshold of the AEBITDA is not met.

For fiscal year 2024, the Net Promoter Score and other ESG targets were set as performance criteria for the short-term variable remuneration as non-financial targets. The two non-financial target categories are equally weighted with 10% each.

Mister Spex aims to deliver an unparalleled customer experience and pursues an active customer relationship. To this end, the net promoter score is a significant indicator on the success of building a long-lasting customer relationship and to evaluate customer satisfaction. At the same time, the net promoter score contributes to the achievement of the intended growth and thus, even though being a non-financial criterion, supports the financial success of Mister Spex.

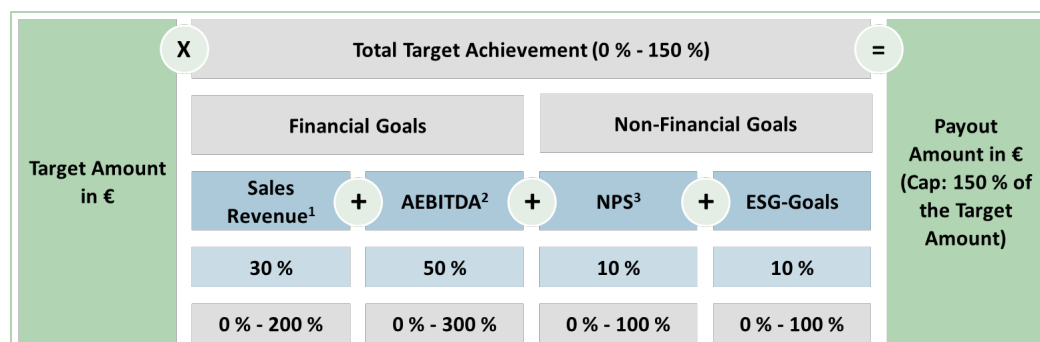
As for the net promoter score, a target value (which at the same time represents the maximum) as well as corresponding minimum value have been defined. Target achievement is capped at 100%. Where an actual net promoter score exceeds the maximum, target achievement does not exceed 100% (target achievement cap). In between the respective minimum and maximum values, linear interpolation is applied.



Next to the net promoter score, ESG goals are defined, whereby the target achievement is capped at 100% as well. The selected ESG goals address key aspects of the sustainability strategy of Mister Spex outlined in the sustainability reporting and thus, promote the sustainable development of the Company.

In the remuneration report, the specific target value and corresponding minimum and maximum values, as well as the actual target achievement for the financial and non-financial goals will be disclosed.

The following graphic illustrates the general functioning of the short-term incentive based on the financial and non-financial goals and their weighting defined for fiscal year 2024:



1 Consolidated Sales Revenue of Mister Spex Group.  
 2 Adjusted EBITDA.  
 3 Net Promoter Score.

In the event of extraordinary developments or events (e.g., non-foreseeable M&A transactions), the Supervisory Board may adjust the target achievement for the performance criteria. In any case, such adjustment may not exceed 20% of the short-term incentive target amount, whereby the payout cap remains unchanged. For the avoidance of doubt, usual market fluctuations are principally not considered to be exceptional developments. Section 87 para. 2 AktG shall remain unaffected.

In the event that the service agreement does not exist throughout the entire fiscal year, the short-term incentive is to be pro-rated accordingly. The performance criteria and their assessment remain unaffected in case of a termination of the service agreement during the year. Irrespective of an intra-year termination of the service agreement, no early payout occurs.

## 7.2 Long-Term Incentive

### a) VSOP

As long-term incentive, Mister Spex grants the members of the Management Board a virtual stock option program (VSOP). Through its clear focus on share price increase, the VSOP fosters the alignment of the interests of the Management Board

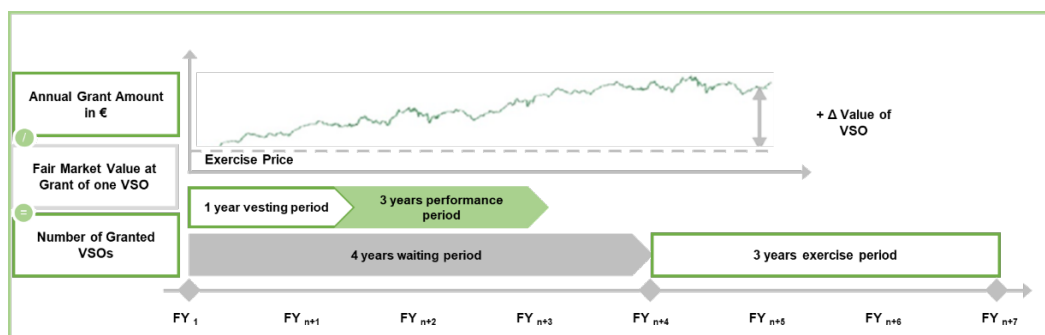
with those of the shareholders and sets a clear incentive towards the strategy of long-term growth.

At the beginning of each fiscal year, each VSOP-entitled member of the Management Board receives a number of virtual stock options (VSOs). The number of VSOs for one fiscal year is calculated by dividing the individual VSOP grant amount by the fair market value of one VSO as at the grant date. To calculate the fair market value, a financial-mathematical model is applied adhering to the requirements of IFRS 2. In case such calculation results in a fractional VSOs, the number of VSOs shall be commercially rounded to the next full number of VSOs.

Any VSOs are subject to a waiting period of four years. VSOs vest in twelve equal monthly instalments (vesting period). Both, vesting and waiting period commence with the grant date.

In addition, the VSOs are subject to a performance condition. At the end of a three-year performance period beginning with the grant date, the performance target of share price CAGR, i.e. the compound annual growth rate (CAGR) of the Company's share price (Share Price-CAGR), must reach a certain value.

The below graphic illustrates the general functioning of the VSOP:



The Supervisory Board shall set for each performance period a corresponding minimum and maximum value for the Share Price-CAGR. The determination shall be made at the beginning of each respective performance period. The beneficiaries are informed by individual grant letters of the minimum and maximum value for the performance target in the performance period.

If the performance target in the performance period falls below the minimum value, the performance factor is 0%. If the performance target in the performance period

equals or exceeds the maximum value, the performance factor is 100%. If the performance target in the performance period lies between the minimum value and the maximum value, the performance factor is calculated by linear interpolation.

The number of VSOs is multiplied by the performance factor to determine the number of VSOs that result from the achievement of the performance targets and are therefore performance-based vested (subject to vesting over time). Depending on the achievement of the targets, the VSOs of a tranche may be exercised in full, in part or not at all. If the above results in a performance factor of 0%, all VSOs of the respective tranche shall lapse in full without replacement or compensation.

Any vested VSOs (i.e. those for which the time vesting and performance vesting condition has been met) can be exercised within a three-year exercise period following the end of the waiting period.

Upon exercise, each member of the Management Board is entitled to settlement of the difference between the share price at exercise and the exercise price multiplied by the number of exercised VSOs (VSOP proceeds). The VSOP proceeds are uncapped to ensure a strong alignment of the interests of the Management Board and those of Mister Spex's shareholders. Nonetheless, the VSOP proceeds are capped by means of the maximum remuneration. The VSOP proceeds are generally settled in shares, whereby the Company at its sole discretion may also settle in cash.

In the event that a service agreement does not exist throughout the entire fiscal year for which the VSO tranche is granted or the respective service agreement is suspended for parts of the fiscal year for which the VSO tranche is granted, the VSO tranche shall only vest on a pro-rata basis.

All vested and unvested VSOs granted to a member of the Management Board which have not been exercised yet shall lapse without replacement or compensation if the respective member of the Management Board resigns from the Management Board or the service agreement ends prematurely at his/her own request without the resignation or termination being caused by a breach of duty by the Company that would entitle the member of the Management Board to an extraordinary termination pursuant to section 626 para. 1 BGB. The same applies where the service agreement is terminated due to an effective extraordinary termination

on the part of the Company pursuant to section 626 BGB or the service relationship is terminated for a reason that would have entitled the Company to terminate the service agreement for good cause pursuant to section 626 para. 1 BGB or the respective member of the Management Board is removed from office for cause within the meaning of section 84 para. 4 AktG (other than for permanent incapacity or disability or a withdrawal of trust for which the member of the Management Board is not at fault). The Supervisory Board may provide that no lapse of the vested or unvested VSOs shall occur in case of a resignation of a member of the Management Board if he/she notified the Company at least 12 months in advance of his/her intended resignation.

Where the service agreement ends for any other reason as the foregoing prior to the end of the fiscal year of grant, the VSOs granted for such fiscal year shall discontinue to vest at the earlier of the effective date of termination of the Management Board member's service agreement or his/her office as member of the Management Board. Any unvested VSOs granted for the year of termination shall lapse without replacement or compensation upon such date. Any vested VSOs by such date shall be retained and become exercisable pursuant to the normal terms and conditions provided that all exercise conditions are met.

In the event of a change of control, all vested VSOs that have not yet been exercised may, at the request of the member of the Management Board or of the Company, be cancelled against compensation in cash with such compensation being calculated based on the consideration per share paid by the third party acquiring control under a take-over offer. Upon a cancellation request by the member of the Management Board the Company may decide at its free discretion whether the unvested VSOs shall continue to vest or be replaced by taking all reasonable efforts to introduce an economically equivalent long-term incentive program. Upon a cancellation request by the Company, all unvested VSOs lapse and the Company will take all reasonable efforts to introduce an economically equivalent long-term incentive program replacing the unvested VSOs that have lapsed upon the change of control. For the avoidance of doubt, a change of control does not result in an accelerated vesting of VSOs.

In the event of capital and structural measures (e.g., capital increase, (reverse) share split), the Supervisory Board may establish reasonable financial equality for

the member of the Management Board in order to prevent that such a measure results in a dilution or enlargement of the benefits or potential benefits intended to be made available under the outstanding VSOs.

In case of extraordinary events or developments or in case of M&A transactions for which the terms of the VSOP and/or the general VSOP methodology do not adequately account for, the Supervisory Board may at its reasonable discretion amend the terms and conditions of the VSOs. Such amendment may, for instance, occur by means of adjusting the performance factor or by adjusting the VSOP proceeds. Notwithstanding the foregoing, Section 87 (2) AktG shall remain unaffected.

b) ESOP

Dirk Graber has participated in an employee stock option program (ESOP) and were granted stock options thereunder prior to the IPO in 2021. This share-based compensation continues an option program from the time when the Company had the legal form of a limited liability company (GmbH). No new stock option grants will be made to the members of the Management Board under the ESOP.

Each ESOP stock option grants the right to acquire one share of Mister Spex at a predefined exercise price. The stock options are subject to monthly vesting over a period of 48 months (4 years) following the relevant grant date. Vested option rights can be exercised immediately after vesting, but only during the exercise windows specified by the Company. Exercised stock options generally shall be settled in equity, however, the Company reserves the right to settle exercised stock options in cash.

ESOP stock options vested and therefore earned after 1 January 2022 are taken into account for the maximum remuneration pursuant to section 87a para. 1 sentence 2 no. 1 AktG.

**8. Malus and clawback**

Malus and clawback provisions applicable to the entire variable remuneration (except any options granted under the ESOP) are part of this remuneration system to foster the long-term and sustainable development of Mister Spex as well as the pay for performance linkage.



If certain malus/clawback-events occur, variable remuneration components not paid out yet can be reduced to zero (“malus”), while variable remuneration already paid out can be claimed back within a certain period of time (“clawback”).

A malus and clawback can be applied by the Supervisory Board if the member of the Management Board has demonstrably committed a breach of internal principles of the Company or a breach of material duties under the service agreement which led to or would justify the issuance of a legally effective termination for good cause pursuant to section 626 para. 1 BGB or the member of the Management Board has demonstrably committed an intentional or grossly negligent breach of one of his material duties of care within the meaning of section 93 AktG.

A malus and clawback can also be applied where the consolidated financial statements or other data or assumptions underlying the assessment of the performance criteria for variable remuneration were incorrect or erroneous.

## **9. Share Ownership Guideline**

Share Ownership Guidelines are applied to further strengthen the alignment of the interests of the members of the Management Board with those of the Company's shareholders.

The members of the Management Board are obliged to acquire shares of the Company within a build-up phase of four years as of their appointment as members of the Management Board and to hold them for the entire duration of their respective duration of appointment as members of the Management Board of the Company. The share ownership guideline equals at least two times the annual gross base salary for the CEO and each Co-CEOs and one time the annual gross base salary for other members of the Management Board (investment amount). After two years, half of the target number of shares must be accumulated.

Shares already held by a member of the Management Board directly or indirectly through an own company count towards the share ownership obligation.

## **10. Further contractual components**

### **10.1 Terms and termination options in service agreements**

The terms of Management Board members' service agreements depend on the duration of their appointment. When appointing members of the Management Board and determining the duration of the corresponding service agreements, the Supervisory Board adheres to the regulatory requirements, particularly the maximum term of six years in accordance with Art. 46 of the Council Regulation (EC) No 2157/2001 on the Statute for a European Company (SE). The appointment periods usually range between three years for the initial appointment and five years for the reappointment of members of the Management Board hereby meeting the recommendation of B.3 GCGC.

The service agreements do not provide for the possibility of ordinary termination by either party. The mutual right of both parties to terminate the service agreement without notice for good cause is not affected by the foregoing.

The Management Board members' service agreements provide that in case of termination of the office of the member of the Management Board by revocation of the appointment or resignation from office for good cause by the member of the Management Board the service agreement shall automatically terminate upon the expiry of an expiration period (be determined in accordance with section 622 para. 1 and para. 2 BGB), but no later than the regular termination date.

A change of control does not trigger a termination right or a right to resign from office for the member of the Management Board.

### **10.2 Invalidity or death**

In the event of illness or other involuntary service interruption, the member of the Management Board shall continue to receive his/her contractual base salary for a period of six months. The remuneration during an illness and involuntary incapacity for work shall be reduced by the amounts which the member of the Management Board receives from third parties for this period, in particular from a health insurance policy or daily sickness benefit insurance.

If a member of the Management Board dies during the term of this service agreement, the contractual base salary shall continue to be paid for the month of death and the three subsequent months.

The Management Board members' service agreements provide that if a member of the Management Board becomes permanently incapacitated the service agreement shall end at the end of the quarter in which the permanent incapacity was determined. For the purposes of the service agreement, permanent disability shall be understood to mean the permanent prevention of 50% or more of the proper performance of the obligations under the service agreement.

### **10.3 Severance Payment**

The service agreements provide that if a member of the Management Board and the Company terminate the service agreement by mutual agreement initiated by the Company or if the Company revokes the appointment of the member of the Management Board, in relation to each case without fault of the member of the Management Board, and if in such cases the service agreement ends prematurely, the member of the Management Board is entitled to receive a severance payment in the amount of two years' remuneration, but limited to the amount of remuneration to which the member of the Management Board would have been entitled until the initial termination date.

The service agreements further provide that also in any other cases severance payments in connection with the premature termination of the service agreement shall be limited to two years' remuneration and at maximum limited to the remuneration which the member of the Management Board would be entitled to until the end of the contractual term.

According to the Management Board members' service agreements, the maximum amount of the severance payment is generally determined based on the base salary and the short-term incentive, but the Supervisory Board may agree that the severance payment cap is to be determined on the basis of the base salary, the short-term incentive and also the VSOP.

The service agreements further provide that an entitlement to a severance payment does not exist if the Company effectively terminates the service agreement

for good cause in accordance with section 626 BGB, if a good cause is given which would allow for an extraordinary termination of the service relationship by the Company for good cause pursuant to section 626 BGB and the appointment or service agreement is terminated prematurely for such cause, or if the appointment or the service relationship is terminated prematurely at the request of the member of the Management Board (without good cause within the meaning of section 626 para. 1 BGB for which the Company is at fault).

#### **10.4 Post-contractual non-compete clause**

The Supervisory Board may agree on a comprehensive post-contractual non-competition clause for all or individual members of the Management Board for up to twenty-four months after the end of the service agreement in consideration for which the Company would pay a customary non-compete compensation payment (i.e., up to at least half of the contractual remuneration last received by the member of the Management Board) for the period of the prohibition. Any such payment is credited against any potential severance payment.

#### **10.5 Secondary activities**

Any member of the Management Board is obliged to take over the position or office of a member of the Supervisory Board, an Advisory Board or similar, in affiliated or investment companies, if required by the Company. For the assumption of such positions, no additional remuneration is paid.

Any remuneration earned by the member of the Management Board in its capacity as board member of affiliated or investment companies shall be deducted in full from the contractual agreed-on remuneration.

The assumption of positions in supervisory bodies of other companies and honorary positions in organizations, insofar as the Company is not itself a member there, require the prior written consent of the Company. The Supervisory Board decides on case-by-case basis whether and to which extent any remuneration element received by the member of the Management Board in his capacity as a supervisory board of a non-affiliated company will be offset against the contractual agreed-on remuneration. The member of the Management Board must inform the Supervisory Board about any such remuneration received by the end of each fiscal year.

## 11. Temporary deviations from the remuneration system

The Supervisory Board has the option to temporarily deviate from the remuneration system in exceptional cases if this is necessary in the interest of the long-term well-being of Mister Spex. This applies in particular in the event of extraordinary, unforeseeable developments. For the avoidance of doubt, generally unfavorable market developments do not justify a temporary deviation from the remuneration system. A temporary deviation from the remuneration system is only possible by resolution of the Supervisory Board upon proposal of the Nomination and Remuneration Committee.

If the Supervisory Board decides to deviate from the remuneration system, temporary deviations from the following components of the remuneration system are permitted: Structure of the target remuneration, performance conditions, and measurement methods of the variable remuneration as well as performance periods and payment dates of the variable remuneration.

Furthermore, under the prerequisites described, the Supervisory Board may temporarily grant additional remuneration components or replace individual remuneration components with other remuneration components to the extent necessary to restore an appropriate incentive level of the Management Board remuneration.

Any deviation from the remuneration system under the above circumstances is possible only after careful analysis of these extraordinary circumstances and the response options.

In the event of a temporary deviation from the remuneration system, details of any such deviations, including an explanation of the necessity of the deviations, and an indication of the specific components of the remuneration system from which deviations have been made, will be provided in the remuneration report.