Remuneration Policy for the Management Board and Supervisory Board of Novem Group S.A.

1. Preamble

This document incorporates the Remuneration Policy for the Management Board and Supervisory Board of Novem Group S.A. (in the following the "Company"). The Remuneration Policy of the Management and Supervisory Board has been effective since the IPO of the Company on 19 July 2021. Novem Group S.A. is obliged by Article 7bis of the Luxembourg law of 24 May 2011 on Shareholder Rights to submit the Remuneration Policy for the Management Board and Supervisory Board for an advisory vote by the Annual General Meeting in case of material changes or at least every four years. The Remuneration Policy for the Management Board and Supervisory Board will be submitted for an advisory vote for the first time at the 2022 Annual General Meeting. The Remuneration Policy takes into account the market best practices in Germany as well as in Luxembourg and is particularly aimed at aligning the Management Board members' compensation with the long term development and success of the Company as well as with shareholders' interests.

2. Remuneration Policy of the Management Board members

The Remuneration Policy for the Management Board of Novem Group S.A. plays an important role in successfully promoting and fostering the implementation of the corporate strategy as well as the short term and long term development of the Company. The Remuneration Policy is based on transparent, performance-related parameters that are geared to the Company's long-term success, and the variable compensation is predominantly measured on a multi-year basis. It supports the implementation of our long term strategy and provides incentives to align the interests of the Management Board members with those of our shareholders and other stakeholders. The objective of the Remuneration Policy is to compensate the Management Board members in accordance with their performance and in accordance with Luxembourg regulatory requirements. Furthermore, it follows best practices among corporations listed in Germany as Novem Group S.A. is listed in the Prime Standard segment of the Frankfurt Stock Exchange.

The main objectives of the Remuneration Policy for the Management Board can be summarized as follows:

Main objectives of the Remuneration Policy
Promote the implementation of the Group strategy
Incentivize the successful and sustainable development of the Group
Consider transparent and performance-related parameters – avoid purely discretionary elements
Focus on long-term strategy – variable compensation is predominantly measured on a multi-year and forward-looking basis
Alignment of interests between shareholders as well as other stakeholders and the Management Board
Consider current market practice and regulatory requirements

2.1. Process for determining the Management Board compensation

The Nomination and Remuneration Committee of the Supervisory Board of Novem Group S.A. develops the Remuneration Policy and makes recommendations to the Supervisory Board regarding the design of the compensation elements as well as compensation levels of the Management Board members.

The Supervisory Board regularly reviews the Remuneration Policy and the individual compensation components of the members of the Management Board. It assesses the appropriateness of the compensation of the Management Board in respect to both a horizontal and vertical comparison.

Regarding horizontal appropriateness, the compensation of the Management Board members of Novem Group S.A. is compared with companies of similar size, industry, and place of operations. Looking at the criteria size, industry, and place of operations, the companies of the SDAX present a suitable peer group for Novem Group S.A. In addition, the Supervisory Board draws up a regular vertical comparison of the compensation of the Management Board members with that of senior management and other employees, in particular looking at the compensation development over time.

Supervisory Board members are obliged to disclose conflicts of interest to the Supervisory Board in accordance with the rules of procedure for the Supervisory Board and its committees. In the event that a Supervisory Board member has, directly or indirectly, an interest which is in conflict to the interest of the Company in any transaction of the Company that is submitted to the approval of the Supervisory Board, such Supervisory Board member shall notify the Supervisory Board of such conflict of interest at that meeting and shall ensure that a record of his statement is included in the minutes of the meeting. The Supervisory Board member may not take part in the deliberations relating to that transaction and may not vote on the resolutions relating to that transaction. The transaction, and the member's interest therein, shall be reported to the next following Annual General Meeting.

2.2. Overview of the Remuneration Policy

The Management Board compensation of Novem Group S.A. consists of fixed as well as variable compensation components, the sum of which determines the total compensation of each Management Board member.

The fixed compensation consists of a base salary and fringe benefits as well as a company pension. The performance-based variable compensation comprises the Short Term Incentive ("STI"), measured over one financial year, and the Long Term Incentive ("LTI"), measured over four financial years.

In addition, the Remuneration Policy of Management Board members of Novem Group S.A. includes further contractual agreements, such as Malus & Clawback clauses, Share Ownership Guidelines and severance payments.

Fixed compensation	**Base Salary**	• Fixed annual salary paid out in twelve monthly instalments
	Fringe Benefits	• Death and disability insurance • Company car • Bearing of costs for tax advice relating to service contract • Reimbursement of costs of accommodation
	Pension	• Defined benefit plan

Variable compensation	**Short Term Incentive (STI)**	• Plan type: Annual Bonus
		• Performance targets:
		  • Adj. EBIT (70%)
		  • Free cash flow (30%)
		  • Modifier (0.8 – 1.2) based on individual performance, team performance and ESG targets
		• Maximum payout: 200% of target amount
		• Payout: In cash

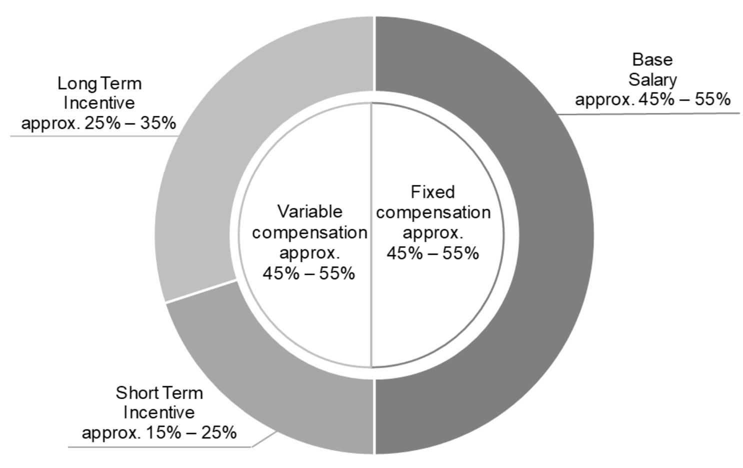
	Long Term Incentive (LTI)	• Plan type: Performance Share Plan
		• Performance period: 4 years
		• Performance targets:
		  • Relative TSR vs. SDAX (70%)
		  • Adj. EBIT margin (30%)
		• Maximum payout: 200% of target amount
		• Payout: In cash

Further contractual arrangements	**Malus & Clawback**	• Performance and compliance malus and clawback applicable to STI and LTI
	Share Ownership Guidelines	• Obligation to buy Company shares in the amount of 200% of annual base salary and to hold these shares throughout the entire appointment
	Severance payments	• Severance payments may not exceed the lower of two times the annual compensation (base salary + target STI + target LTI) or the remaining term of the service contract

2.3. Compensation structure

The target direct compensation of each Management Board member consists of the base salary, the target amount of the STI and the target amount of the LTI. Thereby, the base salary accounts for approximately 45% – 55% of target direct compensation for the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). The total target variable compensation (STI and LTI) also accounts for approximately 45% – 55% of target direct compensation. However, the target amount of the LTI always exceeds the one of the STI due to the focus on the long term and sustainable success of the Company without neglecting annual operational objectives. Due to the volatility of expenses for fringe benefits and company pension, the relative proportion of the total compensation changes yearly and differs between Management Board members. Henceforth it is not included in the displayed compensation structure, but actual expenses for fringe benefits and company pension will be disclosed in the respective Remuneration Report. For financial year 2021/22, the expenses for fringe benefits of CEO and CFO amount to roughly 5% and the expenses for company pension of CEO and CFO to roughly 32% of individual base salary.

Management Board compensation structure[1)]



[1)] Compensation structure of CEO and CFO (expenses for fringe benefits and company pension not included)

2.4. Compensation components in detail

2.4.1. Fixed compensation

Base salary

The members of the Management Board receive a fixed annual base salary in cash which is paid out in twelve equal monthly instalments, and which is determined by taking into consideration the Management Board members' respective position and responsibilities.

Fringe benefits

Management Board members are entitled to fringe benefits that include a death and disability insurance, a company car for business and private use, as well as the reimbursement of reasonable costs for personal tax advice and accommodation in connection with the employment.

In addition, the Company provides customary Director & Officer liability insurance (D&O insurance) coverage to the Management Board members. The insurance provides for a deductible of 10% of the damage to be borne by the Management Board members, up to an amount which equals 1.5 times the individual base salary. Furthermore, the Management Board members are provided with an accident insurance.

Company pension

The Management Board members may receive pension benefits in the form of a lifelong monthly pension, provided that they have reached the age of 60, or are incapacitated for work or occupation and have terminated their services for the Company. The specific monthly pension amounts are regulated within the individual Management Board member's service agreement and may amount up to a maximum of 20% of the latest base salary before the occurrence of the insured event.

2.4.2. Variable compensation

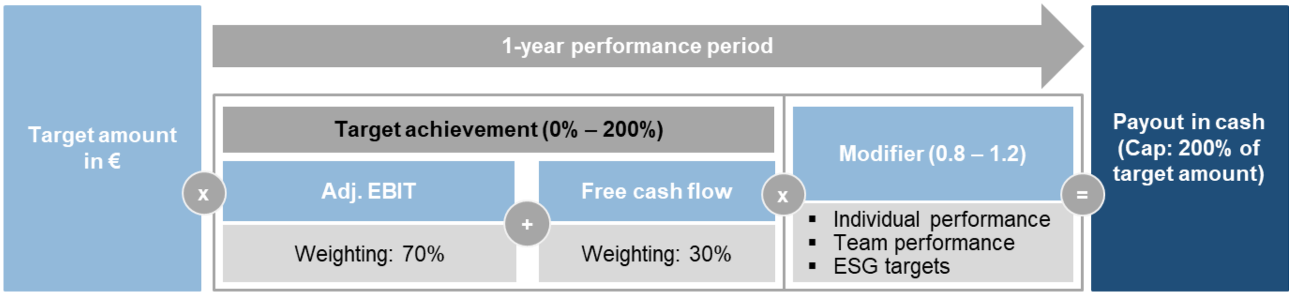
The Remuneration Policy supports the implementation and realization of the long term strategy of the Company. The selection of the financial and non-financial performance targets is based on the alignment with corporate strategy. The selection of the adjusted earnings before interest and taxes (Adj. EBIT) as a performance target in the Short Term Incentive ensures the focus on the profitability of the Company's operating business. Adj. EBIT equals the revenue minus expenses, excluding interests and taxes, adjusted for non-operating or aperiodic effects as defined and reported in the audited consolidated financial statements of the Company. The selection of Free cash flow aligns the Remuneration Policy with another key focus area of the long term strategy, i.e. the generation of cash. Free cash flow is defined as the total cash flow from operating and investing activities as defined and reported in the audited consolidated financial statements of the Company. The modifier allows the Supervisory Board to include long term strategy goals on an individual and team level of the Management Board as well as to implement sustainability goals (ESG criteria) into the compensation scheme.

The selection of the financial performance targets of the Long Term Incentive further aligns the compensation of the Management Board members with the long-term corporate strategy. The relative Total Shareholder Return (TSR) ensures a high degree of alignment of the compensation with the interests of shareholders, while the relative comparison incentivizes to outperform the capital market. The TSR equals the theoretical growth in value of a share held over a period, assuming that (gross) dividends are directly re-invested. The selection of the Adj. EBIT margin aligns the compensation with the goal of focusing on high-margin business. Adj. EBIT margin refers to Adj. EBIT divided by external revenue. External revenue means the income generated from sale of goods or services, or any other use of capital or assets, associated with the main operations of the Company, as defined and reported in the audited consolidated financial statements of the Company.

	Performance targets	Connection to corporate strategy
STI	Adj. EBIT	Reflects the profitability of Novem's operative business
	Free cash flow	Alignment with Novem's long-term strategy goal of cash generation
	Modifier for individual performance, team performance and ESG targets	Allows the Supervisory Board to incorporate long-term strategy goals such as "Innovation" or "Climate Responsibility" into the remuneration policy
LTI	Relative TSR vs. SDAX	Provides a high degree of alignment with shareholder interests and incentivizes outperforming the capital market
	Adj. EBIT margin	Alignment with the goal to focus on high margin business

Short Term Incentive

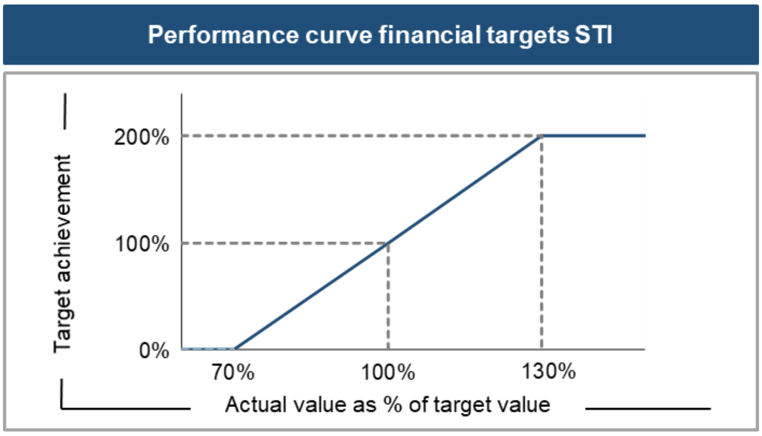
The Short Term Incentive depends on the economic success in the respective financial year as well as on the achievement of individual, team, and ESG targets. The Short Term Incentive is calculated by the degrees of target achievement (0% – 200%) determined for the financial year for the financial targets Adj. EBIT and Free cash flow as defined and reported in the audited consolidated financial statements of the Company, as well as via a modifier (factor 0.8 to 1.2) to assess the individual, team, and ESG performance of the Management Board members. The final payout is determined by multiplying a contractually agreed individual target amount with the overall target achievement of the financial targets as well as the modifier. Thereby, payout is limited to a maximum of 200% ("Cap") of the individual target amount.



Financial targets of the STI

The financial performance targets Adj. EBIT and Free cash flow are key figures for operational and economic success of the Company. At the beginning of each financial year, the Supervisory Board defines target values for Adj. EBIT and Free cash flow, which are derived from the budget planning of Novem Group S.A. After the financial year has ended, the actual Adj. EBIT and Free cash flow values are compared to the respective target values of the relevant year.

If the actual Adj. EBIT of the respective year equals 70% of the target value or less, the target achievement is 0%. If the actual Adj. EBIT equals 100% of the target value, the target achievement is 100%. In case the actual Adj. EBIT of the respective year amounts to 130% of the target value, this leads to a target achievement of 200%. Further increases in Adj. EBIT do not lead to a higher target achievement. The target achievements between these points are determined by linear interpolation. This target achievement curve counts for the Free cash flow analogously.



Modifier

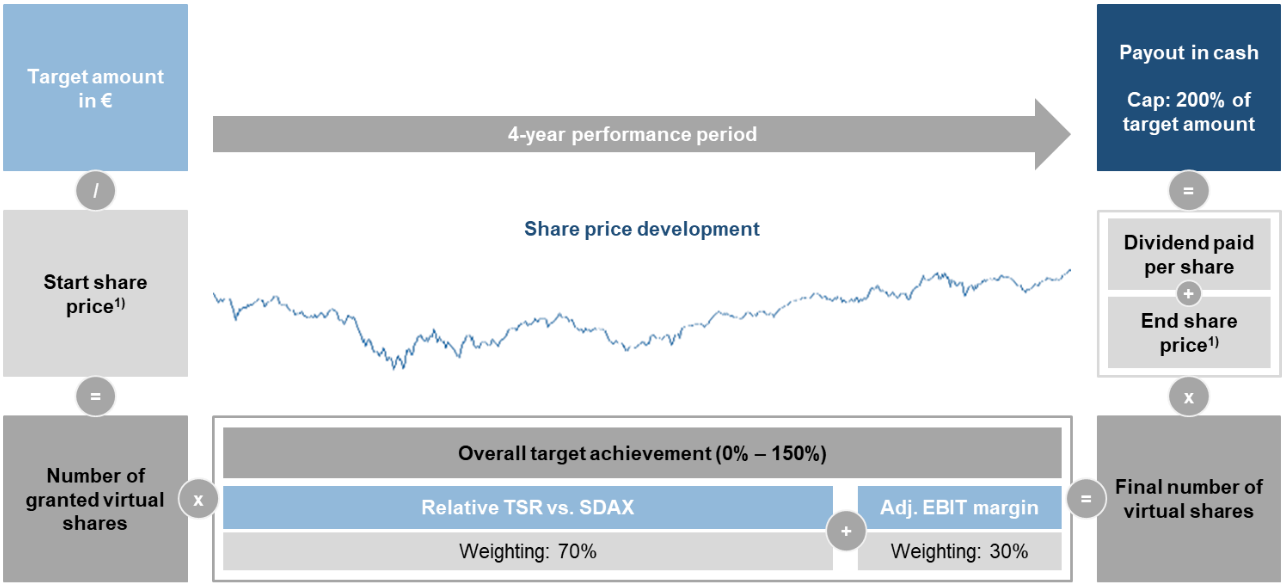
To reflect the Management Board members' individual as well as team performance and to consider ESG targets, the Supervisory Board uses the modifier for each Management Board member to assess the achievement of predefined targets. The resulting modifier for adjusting the Short Term Incentive can take a value between 0.8 and 1.2. The specific targets aim to support the long term strategy goals of the Company, are agreed upon between the Supervisory Board and the Management Board and are based on the following criteria catalogue:

	Criteria for the Modifier		
Category	**Individual performance**	**Team performance**	**ESG targets**
Criteria	Important strategic achievements in area of responsibility	Achievement of important strategic goals	Reduction in carbon emissions
	Individual contributions to important projects	Cooperation with the Supervisory Board	Employee satisfaction
	Realization of key projects	Successful M&A	Compliance

Long Term Incentive

The Long Term Incentive is structured as a multi-year variable compensation based on virtual shares of Novem Group S.A. The virtual shares are granted in annual tranches, each with a forward-looking four-year performance period. Payout depends on the achievement of performance targets as well as the value development of the virtual shares and is made in cash following the end of the performance period.

In order to determine the conditionally granted number of virtual shares, a contractually agreed individual target amount is divided by the Start Share Price, whereby the Start Share Price refers to the arithmetic mean of the Company's share closing price during the last 60 trading days prior to the respective performance period start date. The final number of virtual shares is determined by multiplying the overall target achievement of performance targets with the conditionally granted number of virtual shares. Target achievement and, therefore, the final number of virtual shares is capped at 150%. The payout of the respective tranche of the Performance Share Plan is determined by multiplying the final number of virtual shares with the relevant End Share Price adding any dividends paid during the performance period. The End Share Price refers to the arithmetic mean of the Company's share closing price during the last 60 trading days prior to the respective performance period end date. The overall payout is capped at 200% of the individual target amount.



[1)] Arithmetic mean of closing price of 60 trading days before start resp. end of performance period

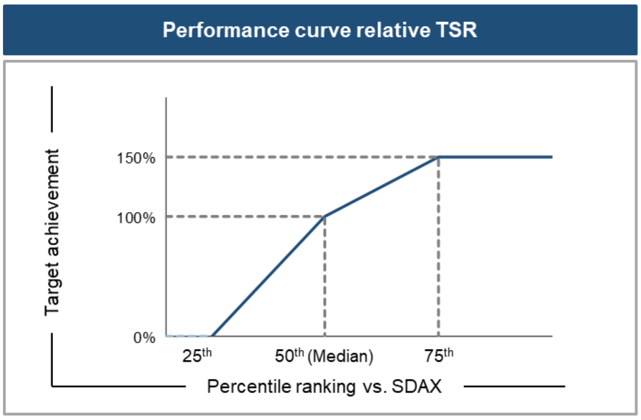
Performance targets of the LTI

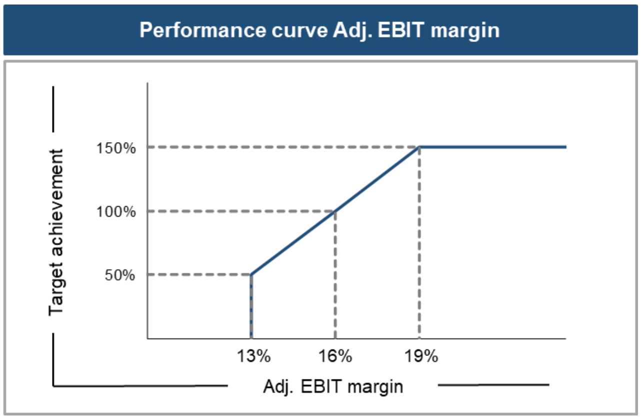
The Supervisory Board has determined the performance targets relative TSR and Adj. EBIT margin as key performance indicator for the LTI as they reflect the Company's long term success.

The target achievement for the relative TSR is based on a comparison of the TSR of Novem Group S.A. with the constituents of the SDAX index. The Supervisory Board of Novem Group S.A. considers the SDAX as an appropriate peer group, as the SDAX companies are comparable to Novem Group S.A. in terms of size (e.g. revenue, employees) and place of operation. In order to determine the relative TSR, firstly, the absolute TSR values of Novem Group S.A. as well as of each index constituent of the SDAX over the respective performance period of four years are calculated. The absolute TSR value of each company equals the theoretical growth in value of a share holding over the four-year performance period, assuming that (gross) dividends are directly re-invested. The initial value of a share is calculated by using the arithmetic mean of the closing price of the last 60 trading days prior to the beginning of the performance period. The final value of a share is determined analogously as the arithmetic mean of the closing price of the last 60 trading days prior to the end of the performance period. The growth in value is calculated through a comparison between the initial and final value, assuming that (gross) dividends are directly re-invested. Secondly, the calculated absolute TSR values of Novem Group S.A. and each index constituent are sorted by size and receive a rank (i.e., the highest absolute TSR at rank 1, the second highest absolute TSR at rank 2 and so on). Each rank receives a percentile rank as well.

If the Company's percentile rank is at the 25th percentile or lower, the target achievement is 0%. If the Company's percentile rank equals the 50th percentile (Median), the target achievement is 100%. In case the Company's TSR is at least at the 75th percentile, this leads to a target achievement of 150%. Higher percentile ranks do not lead to a higher target achievement. Target achievements between these points are determined by linear interpolation.

The target achievement for the Adj. EBIT margin is based on a comparison with a strategic target. To determine the percentage of target achievement, the average of the actual Adj. EBIT margin as defined and reported in the audited consolidated financial statements of the Company of the four financial years of the respective performance period is compared with the strategic target defined for the respective performance period. The strategic target and performance curve is determined by the Supervisory Board at the beginning of each performance period. For financial year 2021/22 the following performance curves apply:





2.4.3. Malus and Clawback

The Short Term Incentive and Long Term Incentive are subject to Malus and Clawback clauses which allow the Supervisory Board at its reasonable discretion to retain or reclaim the variable compensation in part or in full in cases of material breaches of a duty of care, a duty under the employment/service contracts, or another material principle of action of the Company laid out in the Code of Conduct of the Company or its Compliance Guidelines. When exercising its reasonable discretion, the Supervisory Board takes into account the severity of the breach, the degree of fault attributable to the Board Member, and the material and immaterial damage incurred, whereby the existence of damage is not a necessary prerequisite for a reduction or reclaim of the variable compensation.

In addition, the Management Board members must repay any variable compensation already paid out if, and to the extent that, it turns out after the payment that the audited and approved consolidated financial statement on which the calculation of the payout amount was based was incorrect.

2.4.4. Share Ownership Guidelines

In order to strengthen the equity story of the Company and to further align Management Board members' and shareholders' interests, the Management Board members are obliged to acquire and to hold a certain number of shares ("Share Ownership Target") during their entire appointment. The Share Ownership Target amounts to two times the individual gross base salary. Thereby, the required number of shares must be acquired within four years following the appointment. A Management Board member is free to buy shares at any time – under consideration of the Market abuse regulation and the Company's insider trading rules – at its own discretion.

2.4.5. Term of office and service agreement

The members of the Management Board shall be elected by the Supervisory Board for a term not exceeding six years and shall be re-eligible. A member of the Management Board may be removed with or without cause and/or replaced, at any time, by resolution adopted by the Supervisory Board.

The service agreement of the Management Board members may be terminated by either party in compliance with the notice periods contained in Article L.124-3 and Article L.124-4 of the Labor Code. In the event of serious fault by either party, the other party may terminate the service agreement with immediate effect in accordance with Article L.124-10 of the Labor Code.

Payments made to the Management Board members on the occasion of a premature termination of their agreements other than for cause, if any, do not exceed the value of two times the annual compensation ("Severance Payment Cap") and compensate no more than the remaining term of the service agreement. For this purpose, the value of the annual compensation is the sum of the fixed base salary, as well as the STI and the LTI, both assessed at their target amounts (100% target achievement). In case of termination of the agreement by the Company for cause (e.g. serious misconduct of the Management Board member), no severance payment is due.

For a period of two years following the termination of the service agreements, the Management Board members are subject to a non-compete obligation, including a prohibition from working for a company that is a competitor of Novem Group S.A. The Company pays a non-compete compensation to the members of the Management Board for the duration of the two years post-contractual non-compete period. The compensation is to be paid in monthly instalments, which amount to 50% of one-twelfth of the last contractual compensation received. The Company can waive its right under the non-compete clause with the effect that the obligation to pay a non-compete compensation ceases six months after receipt of the declaration of the waiver by the member of the Management Board. Any severance payment will be offset against the compensation for post-contractual non-competition.

2.5. Exceptional circumstances

In exceptional circumstances, the Supervisory Board of the Company can temporarily derogate from the Remuneration Policy. Exceptional circumstances are situations in which the derogation from the Remuneration Policy is necessary to serve the long term interest and the sustainability of the Company or to assure its viability.

A derogation from the Remuneration Policy in the aforementioned exceptional circumstances is only possible through a resolution by the Supervisory Board assessing the exceptional circumstances and the necessity of a derogation.

The parts of the Remuneration Policy that can be derogated from in exceptional circumstances through a resolution by the Supervisory Board are the compensation structure, the terms and payment dates of the variable compensation, and the performance targets of the variable compensation, including their measurement and weighting. Furthermore, the Supervisory Board has the right to grant special payments to new Management Board members in order to compensate for forfeiting salary from previous employers or to cover expenses resulting from a relocation.

3. Remuneration Policy of the Supervisory Board members

In accordance with their monitoring function and to guarantee the independence of each member, the Supervisory Board members receive an annual fixed compensation. When assessing the compensation of the Supervisory Board, the requirements specific to certain roles, burdens in terms of time, and responsibilities of the Supervisory Board members are taken into account. Therefore, Supervisory Board members receive additional fees for their membership in committees. The Remuneration Policy remains in force until it has been amended or terminated by the Annual General Meeting of the Company.

Fixed compensation

In general, members of the Supervisory Board receive a fixed compensation in the amount of €40 thousand for every full financial year of their membership in the Supervisory Board. The Chairman of the Supervisory Board's compensation amounts to 3.0 times the amount, i.e. €120 thousand, and the Deputy Chairman of the Supervisory Board's compensation amounts to 1.5 times the amount, i.e. €60 thousand. On the basis of individual agreements, individual members of the Supervisory Board may not receive any compensation.

Committee compensation

In addition, the chairman of the Company's Audit & Risk Committee receives a compensation in the amount of €30 thousand per full financial year. The chairman of the Nomination and Remuneration a compensation in the amount of €20 thousand per full financial year. Members of the Audit & Risk Committee receive a compensation in the amount of €15 thousand per full financial year and members of the Nomination and Remuneration Committee receive a compensation in the amount of €10 thousand per full financial year.

Directors' and officers' insurance

The Company maintains a directors' and officers' insurance for the members of the Supervisory Board at the Company's cost.

Miscellaneous

The members of the Supervisory Board are entitled to reimbursement of their reasonable expenses (including, but not limited to, travel, board and lodging and telecommunication expenses). Expenses are reimbursed upon invoicing and evidence. In addition, the members of the Supervisory Board will be reimbursed for any value added tax accrued on compensation and expenses.

Luxembourg, 14 June 2022

Novem Group S.A.

Supervisory Board and Management Board