



OUR MISSION:  
**TO EMPOWER YOURS**



## **SLM Solutions Group AG**

Luebeck

**ISIN DE000A111338, DE000A30VLG2, DE000A289BJ8 and DE000A30VLH0**

**WKN A11133, A30VLG, A289BJ und A30VLH**

### **Invitation to the Annual General Meeting**

We invite our shareholders to the Annual General Meeting on

**Thursday, July 13, 2023 at 10:00 a.m. (CEST),**

held at the

**Besenbinderhof Musiksaal**

**Besenbinderhof 57A**

**20097 Hamburg**

## I. Agenda

- 1. Presentation of the adopted financial statements and the approved consolidated financial statements as of December 31, 2022, the management report for SLM Solutions Group AG and the management report for the Group, including the report of the Supervisory Board and the explanatory report of the Management Board regarding the disclosures according to Sections 289a, 315a of the German Commercial Code (HGB)**

All of the aforementioned documents are available online at <https://www.slm-solutions.com/en/hv-2023/>. In addition, the documents will be made available to the shareholders at the Annual General Meeting and explained.

The Supervisory Board has already approved the annual financial statements and consolidated financial statements drawn up by the Management Board. The annual financial statements are thereby adopted. In accordance with the legal provisions, the Annual General Meeting is therefore not required to pass a resolution on this agenda item.

- 2. Resolution in regard to the discharge of the Management Board**

The Management Board and Supervisory Board propose approving the actions of the acting members of the Management Board in the 2022 fiscal year for this time period.

- 3. Resolution regarding the discharge of the Supervisory Board**

The Management Board and Supervisory Board propose approving the actions of the acting members of the Supervisory Board in the 2022 fiscal year for this time period.

- 4. Election of the auditor**

The Supervisory Board proposes – based on the recommendation of the Audit Committee – to elect KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, as the auditor of the annual financial statements and consolidated financial statements for the 2023 fiscal year. This also includes its election as auditor for an audit review of interim financial reports, which are prepared prior to the Company's 2024 Annual General Meeting, insofar as the audit review of such interim financial reports is mandated.

The Audit Committee has declared that its recommendation is free from undue influence by third parties and that no clause limiting the selection options within the meaning of Art. 16 (6) of the EU Auditing Regulation (Regulation (EU) No. 537/2014 of the European Parliament and Council of April 16, 2014 on specific requirements regarding statutory audits of public-interest entities and repealing Commission Decision 2005/909/EC) has been imposed on it.

## **5. Resolution on the approval of the remuneration report for the 2022 fiscal year**

According to the law implementing the Second Shareholder Rights Directive (ARUG II), the Management Board and the Supervisory Board must, in accordance with Section 162 of the German Stock Corporation Act (AktG), prepare an annual report on the remuneration granted and owed to each individual current or former member of the Management Board and the Supervisory Board (remuneration report) in the past fiscal year and submit this Remuneration Report to the Annual General Meeting for approval in accordance with Section 120a (4) AktG.

In accordance with Section 162 (3) AktG, the remuneration report has been reviewed by the auditor to determine whether the information required by Section 162 (1) and (2) AktG has been provided. The note about the audit of the remuneration report is included with the remuneration report.

The remuneration report is printed below under III. And, from the convocation of the Annual General Meeting onwards, is also accessible via our website at <https://www.slm-solutions.com/en/hv-2023/>. The remuneration report will also be accessible during the Annual General Meeting.

The Management Board and Supervisory Board propose to approve the remuneration report, which has been prepared and audited pursuant to Section 162 of the German Stock Corporation Act (AktG), for the 2022 fiscal year, pursuant to Section 120a (4) AktG.

## **6. Elections to the Supervisory Board**

Mr. Hans-Joachim Ihde and Mr. Magnus René, elected as members of the Supervisory Board by resolution of the Annual General Meeting of the Company on June 25, 2019 for the period until the end of the Annual General Meeting that approves their discharge for the fourth financial year after the beginning of their term of office (not counting the financial year in which the term of office begins), as well as Dr. Nicole Natalie Englisch, elected by the Annual General Meeting of the Company on June 16, 2020 until the end of the Annual General Meeting, which approves the discharge for the 2023 fiscal year, resigned from their Supervisory Board mandates with effect from the end of February 15, 2023. At the time of the resignation from the Supervisory Board mandates, the Company's Supervisory Board, which according to Sections 95 Sentence 2, 96 (1) AktG in conjunction with Section 10 (1) of the Articles of Association generally consists of six Supervisory Board members, consisted only of five (5) members, as Mr. Roland Busch, elected as a member of the Supervisory Board on by the Annual General Meeting of the Company on June 25, 2019 until the end of the Annual General Meeting that resolves on his discharge for the fourth financial year after the start of his term of office (not counting the fiscal year in which the

term of office begins), had already resigned from his Supervisory Board mandate on April 20, 2022.

Against this background, the local court of Luebeck decided, in resolutions dated February 15, 2023, at the request of the Management Board in accordance with Section 104 AktG, to appoint Messrs. Hamid Zarringhalam, Yuichi Shibazaki, Johann Georg – known as Jörg – Jetter and Masahiro Horie with effect from February 15, 2023 as a replacement for the three members of the Supervisory Board who left the Supervisory Board or to expand the Supervisory Board to the size stipulated in the Articles of Association until the end of the next Annual General Meeting of the Company as members of the Supervisory Board of SLM Solutions Group AG. Their respective office will therefore expire at the end of the Annual General Meeting convened for July 13, 2023.

In accordance with Sections 95 sentence 2, 96 (1) AktG in conjunction with Section 10 (1) of the Articles of Association, the Company's Supervisory Board consists of six members of the Supervisory Board, who are elected by the Annual General Meeting in accordance with Section 101 (1) AktG in conjunction with Section 10 (2) of the Articles of Association. Pursuant to Section 10 (2) sentence 1 of the Articles of Association, the members of the Supervisory Board are generally elected for the period up to the end of the Annual General Meeting that decides on the discharge for the fourth financial year after the start of the term of office, whereby the fiscal year in which the term of office begins is not counted. According to Article 10 (2) sentence 3 of the Articles of Association, the Annual General Meeting can also determine a shorter term of office. Re-election is permissible. Additional elections take place according to Section 10 (2) sentence 5 of the Articles of Association for the remaining term of office of the retired member if the Annual General Meeting does not determine otherwise.

The Annual General Meeting is not bound to nominations.

Against this background, the Supervisory Board, based on the proposal of its Nomination Committee and taking into account the competence profile for the Supervisory Board and the goals for its composition, proposes to elect the following persons, who are already members of the Supervisory Board of the Company by virtue of a court appointment, with effect from the end of this Annual General Meeting and acceptance of the election until the end of the Annual General Meeting that decides on the discharge for the 2024 fiscal year, to the Supervisory Board:

- 6.1** Mr. **Hamid Zarringhalam**, Corporate Vice President of Nikon Corporation, CEO of Nikon Advanced Manufacturing Inc. and CEO of Nikon Ventures Corporation, born February 5, 1965, residing in Atherton, California, United States,
- 6.2** Mr. **Yuichi Shibazaki**, Corporate Vice President and General Manager of the Advanced Manufacturing Business Unit of Nikon Corporation and Officer in Charge of the Next Generation

Project Division of Nikon Corporation, born on October 29, 1969, residing in Kumagaya-shi, Saitama-ken, Japan,

**6.3** Mr. **Johann Georg – known as Jörg – Jetter**, Managing Director and CEO of the 4JET Group, born on June 4, 1973, residing in Halfing, Germany, and

**6.4** Mr. **Masahiro Horie**, Director & President of Nikon Europe B.V., born on October 1, 1968, residing in Amsterdam, The Netherlands.

**More information on the proposed candidates:**

**1. Mr. Hamid Zarringhalam**

Residence: Atherton, California, United States  
Year of birth: 1965  
Nationality: USA  
Practiced occupation: Corporate Vice President, Nikon Corporation  
CEO, Nikon Advanced Manufacturing Inc.  
CEO, Nikon Ventures Corporation

Qualifications / academic career:

1981 – 1985 University of San Francisco BS – Finance  
1985 – 1987 University of San Francisco MBA - Finance

Career history:

2023 – today CEO, Nikon Advanced Manufacturing Inc.  
2020 - today Corporate Vice President, Nikon Corporation  
2020 - today CEO, Nikon Ventures Corporation  
2018 – 2023 Co-GM of Digital Solutions Business Unit, Nikon Corporation  
2009 – 2011 President, Nikon Precision Europe GmbH  
2007 – 03/2023 Executive Vice President, Nikon Precision Inc.

- 2005 – 2007 Vice President, Technology, Sales and Marketing, Nikon Precision Inc.
- 2003 – 2005 Senior Vice President, Nikon Precision Europe GmbH
- 2000 – 2003 Vice President, Business Planning and Operations Support, Nikon Precision, Inc.
- 1998 – 2000 Associate Director, Corporate Business Planning, Nikon Precision Inc.

Membership in statutory supervisory boards or comparable domestic and foreign supervisory bodies of commercial enterprises:

Board Member, Optisys Inc.

Board Member, Morf3D Inc.

## 2. Mr. Yuichi Shibazaki

Residence: Kumagaya-shi, Saitama-ken, Japan

Year of birth: 1969

Nationality: Japan

Practiced occupation: Corporate Vice President, Nikon Corporation

General Manager, Nikon Advanced Manufacturing Business Unit

Co-CEO, Nikon Advanced Manufacturing Inc.

Qualifications / academic career:

1988 – 1992 University of Tokyo, Mechanical Engineering

Career history:

2023 - today Corporate Vice President, Nikon Corporation

General Manager, Nikon Advanced Manufacturing Business Unit

Co-CEO, Nikon Advanced Manufacturing Inc.

2020 – 2023 Corporate Vice President, Nikon Corporation

	General Manager, Next Generation Project Division
2019 – 2020	Senior Fellow
	General Manager, Next Generation Project Division
2015 – 2019	Fellow
	Sector Manager, SEMI Business Unit R&D
1996 – today	Nikon Corporation
1992 – 1996	YAMAHA Motor Company

Membership in statutory supervisory boards or comparable domestic and foreign supervisory bodies of commercial enterprises:

Board Member, Morf3D Inc.

### **3. Mr. Johann Georg – known as Jörg – Jetter**

Residence: Halfing, Germany  
Year of birth: 1973  
Nationality: German  
Practiced occupation: Founder & CEO, 4JET Group

Qualifications / academic career:

1993 – 1994	Law, TU Dresden (without degree)
1994 – 1996	Economics and Marketing, Georg August University of Göttingen (without degree)

Career history:

2006 – today	Founder & CEO, 4JET Group
1999 – 2006	General Manager of JET Laser Systems GmbH



Membership in statutory supervisory boards or comparable domestic and foreign supervisory bodies of commercial enterprises:

Member of the Advisory Board of Aachener Bank eG

#### **4. Mr. Masahiro Horie**

Residence: Amsterdam, Netherlands

Year of birth: 1968

Nationality: Japan

Practiced occupation: Director & President, Nikon Europe B.V.

Qualifications / academic career:

1988 – 1992 University of Gakushuin, Economics Degree

Career history:

2023 – today Director & President, Nikon Europe B.V.

2019 – 2022 Managing Director, Nikon Singapore Pte, Ltd.

2017 – 2019 Executive Vice President & COO, Nikon Essilor

2016 – 2017 Manager, Corporate Branding Dept, Nikon Corporation

2014 – 2016 Director, Marketing and Communications, Nikon Inc.

2010 – 2014 General Manager, Latin America, Nikon Inc.

2009 - 2010 Manager, Communications Strategy Section, Imaging Div. Nikon Corporation

2005 – 2009 Manager, 2nd Marketing Section, Imaging Division, Nikon Corporation

Membership in statutory supervisory boards or comparable domestic and foreign supervisory bodies of commercial enterprises:

None

Further information on the proposed candidates is available online at

[www.slm-solutions.com](http://www.slm-solutions.com)

in the "Investor Relations" section under the heading "Annual General Meeting".

It is intended that the Annual General Meeting will vote on the election of the members of the Supervisory Board by means of an individual election.

**7. Resolution on the approval of the modified remuneration system for members of the Management Board**

Pursuant to Section 120a (1) AktG, the Annual General Meeting of listed companies shall resolve on the approval of the remuneration system for the members of the Management Board presented by the Supervisory Board pursuant to Section 87a AktG whenever there is a significant change, but at least every four years. The Annual General Meeting of the company as of June 16, 2021, approved under agenda item 5 the remuneration system for the members of the Management Board as resolved by the Supervisory Board of the company on May 4, 2021, in accordance with Section 120a (1) AktG. On May 31, 2023, considering the requirements of Section 87a (1) AktG, the Supervisory Board resolved an amended remuneration system for the members of the Management Board (Remuneration System 2023), which updates and amends the previous remuneration system. The Remuneration System 2023 for the members of the Management Board is set out in the supplementary information on agenda item 7 under section II.1.

The Supervisory Board proposes that the remuneration system for the members of the Management Board resolved by the Supervisory Board on May 31, 2023 and set out in section II.1 of this convocation letter as an annex to agenda item 7 to be approved.

**8. Resolution on the cancellation of the existing Authorized Capital 2022, the establishment of a new Authorized Capital 2023 and the corresponding amendment to the Articles of Association**

By resolution of the Annual General Meeting dated May 17, 2022, entered in the Commercial Register on July 4, 2022, the Management Board was authorized to increase the share capital with the approval of the Supervisory Board, in whole or in part, on one or several occasions, by a total of up to EUR 11,350,862.00 by issuing up to 11,350,862 new no-par value bearer shares against cash contributions and/or contributions in kind (the "Authorized Capital 2022").

The Authorized Capital 2022 was partially utilized by a capital increase against cash contributions with exclusion of shareholders' subscription rights in the amount of EUR 2,270,171.00 which was

entered in the commercial register on September 9, 2022, so that the 10% limit of the simplified exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG has been exhausted and the Authorized Capital 2022 can no longer be used for a capital increase with simplified exclusion of subscription rights pursuant to Section 186 (4) sentence 4 AktG. This significantly restricts the possibility of carrying out capital increases on the basis of Authorized Capital 2022.

The Management Board and the Supervisory Board consider it expedient to continue to enable the Company, as a precautionary measure for as long as it is listed on the stock exchange, to increase the share capital under exclusion of subscription rights, if necessary, also at short notice, to the extent permitted by law,. The remaining Authorized Capital 2022 is therefore to be canceled and replaced by a new Authorized Capital 2023, the structure of which is to be substantially the same as the previous provisions.

Therefore, the Management Board and the Supervisory Board propose that the following resolution be adopted:

a) Cancellation of the existing Authorized Capital 2022

The Authorized Capital 2022 as set forth in Section 4 (5) of the Articles of Association shall be cancelled with effect from the date of entry in the Commercial Register of the Authorized Capital 2023 proposed for resolution below and the amendment and restatement of Section 4 (5) of the Articles of Association, insofar as it has not been utilized by this date.

b) Establishment of a new Authorized Capital 2023 with the option to exclude subscription rights

The Management Board is to be authorized to increase the share capital until July 12, 2028 with the approval of the Supervisory Board in whole or in part, on one or several occasions, by up to a total of EUR 6,221,563.00 (equals almost 20% of the capital stock of the company existing at the time of the resolution) by issuing up to 6,221,563 new no-par value bearer shares against contributions in cash and/or contribution in kind (the "**Authorized Capital 2023**").

Shareholders are in principle to be granted subscription rights. This statutory subscription right may also be granted in such a way that the new shares are taken up in whole or in part by a bank or syndicate of banks determined by the Management Board with the obligation to offer them for subscription to the shareholders of the company.

The Management Board is to be authorized, with the approval of the Supervisory Board, to exclude shareholders' statutory subscription rights in the following cases:

- in case of capital increases against cash contributions, if the issue price of the new shares issued with exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG is not significantly lower than the stock market price of the shares of the same class and conditions already listed, and the total pro rata amount of capital stock represented by the new shares issued with exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG does not exceed 10% of the capital stock existing at the time this authorization takes effect and at the time this authorization is exercised. To this limit of 10% of the capital stock shares issued or sold by direct or appropriate application of Section 186 (3) sentence 4 AktG during the term of this authorization up to the time of its exercise shall be credited; also to be credited are shares issued by the company to service conversion or option rights or to fulfill conversion or option obligations arising from bonds with option and/or conversion rights or obligations (or a combination of these instruments), provided that the bonds conveying a corresponding conversion or option right or conversion or option obligation were issued during the term of this authorization up to the time of its exercise in accordance with Section 186 (3) sentence 4 AktG, excluding shareholders' subscription rights;
  
- to avoid peak amounts;

The Management Board is to be authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation, in particular the content of the share rights and the conditions of the share issue, including a profit participation deviating from Section 60 (2) AktG. The Supervisory Board is to be authorized to adjust the Articles of Association of the company accordingly after full or partial utilization or expiry of Authorized Capital 2023, in particular with regard to the amount of capital stock and the number of existing no-par value shares.

c) Amendment to the Articles of Association

Section 4 (5) of the Articles of Association is amended and restated as follows:

“The Management Board is authorized to increase the share capital until July 12, 2028 with the approval of the Supervisory Board in whole or in part, on one or more occasions by up to a total of EUR 6,221,563.00 by issuing up to 6.221.563 new no-par value bearer shares in exchange for cash contributions and/or contributions in kind (Authorized Capital 2023).

The shareholders are in principle to be granted subscription rights. The statutory subscription right may also be granted in such a way that the new shares are taken up in

whole or in part by a bank or syndicate of banks determined by the Management Board with the obligation to offer them for subscription to the shareholders of the company.

The Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' statutory subscription rights in the following cases:

- in case of capital increases against cash contributions, if the issue price of the new shares issued with exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG is not significantly lower than the stock market price of shares of the same class and with the same rights already listed and the total pro rata amount of capital stock represented by the new shares issued with exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG does not exceed 10% of the capital stock existing at the time this authorization takes effect and at the time this authorization is exercised. This limit of 10% of the capital stock shall include shares issued or sold by direct or mutatis mutandis application of Section 186 (3) sentence 4 AktG during the term of this authorization up to the time of its exercise; it shall also include shares issued by the Company to service conversion or option rights or to fulfill conversion or option obligations. to fulfill conversion or option obligations arising from bonds with option or conversion rights or obligations (or a combination of these instruments), provided that the bonds were issued during the term of this authorization up to the time of its exercise in analogous application of Section 186 (3) sentence 4 AktG, excluding shareholders' subscription rights;
- to avoid peak amounts;

The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the capital increase and its implementation, in particular the content of the share rights and the terms and conditions of the share issue, including a profit participation deviating from Section 60 (2) AktG. The Supervisory Board is authorized to amend the Articles of Association of the Company accordingly after full or partial utilization or expiry of the Authorized Capital 2023, in particular with regard to the amount of capital stock and the number of existing no-par value shares."

d) Registration Commercial Register

The Management Board is instructed to apply for the cancellation of Authorized Capital 2022 and the creation of new Authorized Capital 2023 to be entered in the Company's commercial register, subject to the proviso that the cancellation of Authorized Capital 2022

is only entered in the commercial register if it is ensured that the amendment to Section 4 (5) of the Articles of Association is entered immediately afterwards.

## **9. Resolution on a change of the company name and a corresponding change of Section 1(1) of the Articles of Association**

The Company is currently trading under the name "SLM Solutions Group AG". Since the completion of the public takeover offer by Nikon AM. AG, a wholly owned subsidiary of Nikon Corporation, the Company is a Nikon Group company. In order to make this visible to the market in a uniform way, the Company is to be renamed Nikon SLM Solutions AG.

The Management Board and the Supervisory Board therefore propose that the following be resolved:

The company name is changed to "Nikon SLM Solutions AG".

Section 1 (1) of the Company's Articles of Association is revised as follows:

*"(1) The name of the Company is Nikon SLM Solutions AG."*

## **10. Amendments to the Articles of Association**

### **10.1 Authorization to hold a virtual Annual General Meeting**

Section 118a AktG, newly introduced by the Act on the Introduction of Virtual General Meetings of Stock Corporations and amendment of further regulations of July 20, 2022 (Federal Law Gazette of July 26, 2022, page 1166 et seq.) makes it possible to provide in the Articles of Association that the Annual General Meeting is held without the physical presence of the shareholders or their proxies at the location of the Annual General Meeting (so-called *virtuelle Hauptversammlung*). The Articles of Association can also authorize the Management Board to provide for the holding of a virtual Annual General Meeting. A corresponding provision in the Articles of Association must be limited in time, whereby the maximum period is five years from the entry of the corresponding amendment to the Articles of Association in the Company's commercial register.

The Management Board and the Supervisory Board are of the opinion that the virtual Annual General Meeting format as such has proven itself over the past three years and at least the possibility to hold Annual General Meetings virtually in the future should be retained. The virtual Annual General Meeting in the format provided for by the corresponding new regulations adequately safeguards the rights of the shareholders and, in particular, provides for direct interaction between shareholders and management during

the meeting via video communication and electronic communication channels, in line with the traditional Annual General Meeting with physical presence of the shareholders. However, when considering the interests of the Company and the shareholders in particular, it may always be necessary to hold general meetings with physical presence of the shareholders at which an interaction takes place in the physical presence of the shareholders and their proxies instead of a virtual interaction. It therefore makes sense not to order the holding of a virtual Annual General Meeting directly by regulation in the Articles of Association, but to authorize the Management Board to decide in advance of each Annual General Meeting on a case-by-case basis whether the meeting should take place as a virtual meeting or as a meeting with physical presence of the shareholders.

For the Annual General Meetings held during the term of the authorization, is to be decided separately in each case, taking into account the circumstances of each individual case as to whether the authorization is exercised and an Annual General Meeting is to be held as a virtual Annual General Meeting. The Management Board will make decisions taking into account the interests of the Company and its shareholders, and in particular the protection of shareholders' rights as well as the relevant specific circumstances of the individual case, effort and costs as well as taking sustainability considerations into account.

The Management Board and the Supervisory Board therefore propose adding a new Section 14a to the Articles of Association:

*"Section 14a Virtual Annual General Meeting*

*The Management Board is authorized to provide for Annual General Meetings to be held until the end of July 12, 2028, that the Annual General Meeting be held in compliance with the legal requirements provided for this purpose without the physical presence of the shareholders or their proxies at the location of the Annual General Meeting (virtual Annual General Meeting)."*

## **10.2 Virtual participation of Supervisory Board members**

In principle, the members of the Supervisory Board attend the Annual General Meeting in person. According to Section 118 (3) sentence 2 AktG, however, the Articles of Association can provide for certain cases in which members of the Supervisory Board may participate in the Annual General Meeting by way of video and audio transmission. In view of the advancing digitization of business and legal transactions and to give the Company's Supervisory Board sufficient flexibility in the future, the members of the Supervisory Board should in future be permitted to participate in the Annual General Meeting, for example in the case of a virtual Annual General Meeting, by means of video and audio transmission

or if their personal participation is prohibited by statutory or health restrictions or would only be possible with considerable expense because of their place of work or residence abroad.

The Management Board and the Supervisory Board therefore propose adding a new Section 14 (6) to the Articles of Association:

(6) *The members of the Supervisory Board with the exception of the Chairman of the Annual General Meeting (chairman of the meeting) are permitted to participate in the Annual General Meeting by means of video and audio transmission if the Annual General Meeting is held as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies at the location of the Annual General Meeting. In agreement with the Chairman of the Supervisory Board (in case the Chairman of the Supervisory Board is affected, in agreement with his deputy), members of the Supervisory Board are permitted to participate in the Annual General Meeting by means of video and audio transmission in cases where they are unable to attend in person or can only do so at considerable expense due to legal or health restrictions or due to their place of employment or residence abroad or due to a necessary stay at another location in Germany or abroad."*

**11. Transfer of the shares of the minority shareholders of SLM Solutions Group AG to Nikon AM. AG as the main shareholder against the granting of an appropriate cash compensation in accordance with Section 62(1) and (5) sentence 1 UmwG in conjunction with Sections 327a et seq. AktG (merger squeeze-out)**

According to Section 62 (5) of the German Transformation Act (UmwG) in conjunction with Sections 327a et seq. AktG, a procedure to exclude minority shareholders pursuant to Sections 327a to 327f AktG (so-called merger squeeze-out) can be carried out if the acquiring stock corporation (main shareholder) owns at least 90% of the share capital of the transferring stock corporation and the General Meeting of the transferring stock corporation decides within three months of the conclusion of the merger agreement contractually to transfer the shares of the minority shareholders to the main shareholder in return for an appropriate cash compensation.

The share capital of SLM Solutions Group AG based in Luebeck, registered in the commercial register of the local court of Lübeck under HRB 13827 HL, amounts to EUR 31,107,819.00 and is divided into 31,107,819 no-par value bearer shares with a pro rata amount of the share capital attributable to each share of EUR 1.00.

Nikon AM. AG based in Berlin, registered in the commercial register of the local court Charlottenburg under HRB 240810 B, in the future with registered office in Luebeck and registration in the commercial register of the local court Luebeck, currently directly holding



28,738,475 shares of SLM Solutions Group AG. SLM Solutions Group AG does not hold any treasury shares. Therefore, Nikon AM. AG owns shares in SLM Solutions Group AG of approx. 92.38% of the share capital of SLM Solutions Group AG. Nikon AM. AG is thus the main shareholder within the meaning of Section 62 (5) sentence 1 UmwG.

Nikon AM. AG intends to make use of the option of a merger squeeze-out. To this end, it notified the Management Board of SLM Solutions Group AG by letter dated February 10, 2023 about the intention to merge SLM Solutions Group AG as the transferring company with Nikon AM. AG as the acquiring company and the request within the meaning of Section 62 (1), (5) UmwG and Section 327a (1) sentence 1 AktG addressed to the Management Board of SLM Solutions Group AG, to have the Annual General Meeting of SLM Solutions Group AG to vote on the transfer of the minority shareholders' shares to Nikon AM. AG against the granting of an appropriate cash compensation in accordance with the procedure for the exclusion of minority shareholders according to Section 62 (1), (5) UmwG and Sections 327a et seq. AktG. SLM Solutions Group AG announced the receipt of this letter on February 10, 2023 by way of ad hoc publicity.

Based on a company valuation of SLM Solutions Group AG, carried out by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart as a neutral expert, Nikon AM. AG has determined the cash compensation of the minority shareholders at EUR 18.89 per share of SLM Solutions Group AG.

After determining the amount of the appropriate cash compensation, Nikon AM. AG specified its request of February 10, 2023 in a letter dated May 30, 2023, by specifying the amount of the cash compensation

On May 31, 2023, SLM Solutions Group AG also received a guarantee declaration within the meaning of Section 62 (5) sentence 8 UmwG in conjunction with Section 327b (3) AktG from Deutsche Bank Aktiengesellschaft, a stock corporation incorporated under the laws of the Federal Republic of Germany with its registered office in Frankfurt am Main ("**Deutsche Bank**"), Deutsche Bank, as a credit institution authorized to conduct business in Germany pursuant to Sections 1, 53b KWG, guarantees the fulfillment of Nikon AM. AG's obligation, by way of a bank guarantee, to pay the minority shareholders of SLM Solutions Group AG immediately after registration of the transfer resolution and the merger, the specified cash compensation for the transferred shares plus any statutory interest pursuant to Section 62 (5) sentence 8 UmwG in conjunction with Section 327b (2) AktG.

Nikon AM. AG submitted a written report to the Annual General Meeting of SLM Solutions Group AG, in which the requirements for the transfer of the shares of the minority shareholders and the appropriateness of the cash compensation are explained and justified.

The decision of the district court of Lübeck dated April 18, 2023 according to Section 62 (5) sentence 8 UmwG in conjunction with 327c (2) sentences 2 and 3 AktG, resulted in the selection and appointment of an expert auditor, PKF Fasselt Partnerschaft mbB, Duisburg, who confirmed the appropriateness of the cash compensation.

SLM Solutions Group AG and Nikon AM. AG concluded a merger contract with which SLM Solutions Group AG transfers its assets as a whole under dissolution without settlement to Nikon AM. AG in accordance to Sections 2 No. 1, 60 et seq. UmwG. The merger contract contains the information pursuant to Section 62 (5) sentence 2 UmwG that the minority shareholders of SLM Solutions Group AG should be excluded within the merger and is subject to the condition precedent that the resolution of the Annual General Meeting regarding the transfer of the shares of the minority shareholders on the Nikon AM. AG is entered in the commercial register of SLM Solutions Group AG.

The Management Board and the Supervisory Board of SLM Solutions Group AG propose, in accordance with the request of Nikon AM. AG, to pass the following resolution:

*The shares of the other shareholders (minority shareholders) of SLM Solutions Group AG are transferred in accordance with Section 62 (5) UmwG in conjunction with Sections 327a et seq. AktG against a cash compensation of EUR 18.89 per share of SLM Solutions Group AG to Nikon AM. AG based in Luebeck (main shareholder).*

According to Section 62 (5) sentence 8 UmwG in conjunction with Section 327b (2) AktG, the cash compensation shall bear interest at an annual rate of 5 percentage points above the respective base interest rate.

From the date of convening the Annual General Meeting, the following documents will be available for inspection by shareholders on our website at <https://www.slm-solutions.com/en/hv-2023/>:

- draft of transfer resolution;
- merger contract between SLM Solutions Group AG as the transferring company and Nikon AM. AG as the acquiring company;
- report submitted by Nikon AM. AG as the main shareholder in accordance with Section 62 (5) sentence 8 UmwG in conjunction with Section 327c (2) sentence 1 AktG regarding the transfer of the shares of the minority shareholders as part of a merger squeeze-out including appendices;

- annual financial statements and management reports of SLM Solutions Group AG for the fiscal years 2022, 2021, and 2020;
- consolidated financial statements and group management reports of SLM Solutions Group AG for the fiscal years 2022, 2021, and 2020;
- annual financial statements of Nikon AM. AG for the 2022 fiscal year;
- opening balance sheet of Nikon AM. AG as at August 8, 2022;
- audit report submitted by the expert auditor PKF Fasselt Partnerschaft mbB, Duisburg, selected and appointed by the Lübeck Regional Court, regarding the appropriateness of the cash compensation in accordance with Section 62 (5) sentence 8 UmwG in conjunction with 327c (2) sentence 2 AktG including appendices;
- provisionally issued joint merger report of SLM Solutions Group AG and Nikon AM. AG according to Section 8 UmwG dated May 31, 2023 including appendices; as well as
- audit report provisionally issued by the expert auditor PKF Fasselt Partnerschaft mbB, Duisburg, selected and appointed by the Lübeck Regional Court, on the audit of the merger contract between SLM Solutions Group AG as the transferring company and Nikon AM. AG as the acquiring company in accordance with Sections 60, 12 UmwG dated including appendices.

The aforementioned documents will also be available at the Annual General Meeting.

## II. Reports to the Annual General Meeting

### 1. Remuneration system for the members of the Management board (Agenda Item 5)

#### A. REVISION OF THE REMUNERATION SYSTEM (NEW)

Following the closing of the voluntary public takeover offer by Nikon AM.AG for SLM Solutions Group AG, the Supervisory Board has revised the current remuneration system in consultation with the Presidential Committee. Subject to the submission for approval by the Annual General Meeting 2023, the revised remuneration system shall apply to all current and future members of the Management Board as of January 1, 2023, to the extent it has been agreed with current members of the Management Board. Otherwise, the previous remuneration system continues to apply.

##### A.1. SIGNIFICANT CHANGES IN SHORT-TERM VARIABLE REMUNERATION (NEW)

In the course of the revision of the remuneration system, the short-term variable remuneration (short-term incentive, STI) is aligned with material financial performance criteria (key performance indicators, KPIs) of SLM Solutions Group AG. These are complemented by specific non-financial targets for the members of the Management Board in the form of a performance multiplier. Concurrently, the Supervisory Board's discretion is reduced. The increase of the maximum payout amount from 130% to 150% of the target amount provides a stronger incentive to achieve SLM Solutions Group AG's ambitious annual budgets plan for the respective fiscal year.

##### A.2. SIGNIFICANT CHANGES IN LONG-TERM VARIABLE REMUNERATION (NEW)

With regard to the long-term variable remuneration (long-term incentive plan, LTIP), the Stock Appreciation Rights (SARs) are replaced by a performance cash plan with a three-year performance period. The new plan depends on the achievement of material financial performance criteria, complemented by qualitative targets in the form of a multiplier. The long-term variable remuneration henceforth will not be allocated as a rolling plan with annual tranches, but as a sequential plan allocating a tranche every three years. To illustrate SLM Solution Group AG's commitment to a sustainable and responsible corporate governance, ESG targets (Environmental, Social, Governance) are included in the qualitative targets. Hence, ESG targets are an essential component of the variable compensation for the members of the Management Board. However, it is ensured that if the financial performance criteria are missed, no payout can be realized by achievement of the ESG targets alone.

#### B. PRINCIPLES OF THE REMUNERATION SYSTEM FOR THE MEMBERS OF THE MANAGEMENT BOARD (MODIFIED)

The remuneration system for the members of the Management board provides effective incentives for profitable growth and makes a significant contribution to achieving the ambitious goals set out in the growth strategy of SLM Solutions Group AG. The remuneration system is designed to assure a

transparent, performance-related remuneration which is linked to the company’s success. The defined performance criteria are geared towards future performance and based on ambitious annual and long-term target values. The short-term variable remuneration is based on operational and strategic performance criteria. These provide an incentive for the Management Board to achieve profitability and growth. The long-term variable remuneration links the Managements Board’s remuneration to the long-term performance of SLM Solutions Group AG. This facilitates a sustainable alignment of the interests of the members of the Management boards and the interests of the company’s shareholders.

The remuneration system for the members of the Management Board is clear, comprehensible, transparent, and oriented towards the sustainable and long-term development of SLM Solutions Group AG. It complies with the requirements of the German Stock Corporation Act (AktG) and uses the recommendations of the German Corporate Governance Code (Deutscher Corporate Governance Kodex, DCGK) in the version approved by the Government Commission German Corporate Governance Code on April 28, 2022 as guidelines.

## C. THE REMUNERATION SYSTEM IN DETAIL

### C.1. REMUNERATION COMPONENTS

#### C.1.1. OVERVIEW OF THE REMUNERATION COMPONENTS (MODIFIED)

The remuneration of the Management Board members is comprised of fixed and variable components. Fixed components of the remuneration of the Management Board members are basically the annual fixed salary and fringe benefits. Variable components are the short-term and the long-term variable remuneration.

Remuneration component	Parameters	
Fixed remuneration components		
Annual fixed salary	Fixed contractually agreed remuneration that is paid out in twelve equal monthly installments.	
Fringe benefits	Fringe benefits comprise in particular: <ul style="list-style-type: none"> <li>- Provision of a company car for private use,</li> <li>- Accident insurance,</li> <li>- Reimbursement of relocation costs, accommodation costs for a limited time period or tax consultancy costs, where applicable.</li> </ul>	
Variable remuneration components		
Short-term variable remuneration	Plan type:	Target bonus

	Performance criteria:	- Key performance indicators, for example revenue or earnings - Performance multiplier (0.7 – 1.3)
	Assessment period:	Respective fiscal year
	Limitation of payout:	150% of the target amount
Long-term variable remuneration	Plan type:	Sequential performance cash plan
	Performance criteria:	- Key performance indicators, for example revenue or earnings - Multiplier (0.8 – 1.2)
	Assessment period:	Three years
	Limitation of payout:	250% of the target amount
Other remuneration components and contractual provisions		
Malus und clawback	The Supervisory Board is contractually entitled to retain (malus) and/or to reclaim (clawback) variable remuneration.	
Maximum remuneration	Maximum remuneration pursuant to Section 87a, para. 1, sentence 2, no. 1 AktG for the Management Board members is EUR 10,000,000.00 gross each.	

### C.1.2. REMUNERATION STRUCTURE (MODIFIED)

The relative shares of the fixed and variable remuneration components are shown below on the basis of the target total remuneration. The target total remuneration is comprised of the sum of all relevant remuneration components for the target total remuneration (annual fixed salary, fringe benefits, short-term and long-term variable remuneration). For the short-term and the long-term variable remuneration, the respective target amount is used as the basis. The share of the fixed remuneration (annual fixed salary and fringe benefits) is at approximately 49% to 61% of the target total remuneration and the share of variable remuneration (short-term and long-term variable remuneration) is at approximately 39% to 51% of the target total remuneration. The share of the short-term variable remuneration is at approximately 17% to 33% of the target total remuneration and the share of the long-term variable remuneration is at approximately 18% to 22% of the target total remuneration.

The relative shares referred to may deviate for future fiscal years, e.g. on the basis of the development of the costs of the contractually promised fringe benefits, as well as for possible new appointments. Any sign-on bonuses and severance payments are not considered in the remuneration structure.

## **C.2. FIXED REMUNERATION COMPONENTS**

### **C.2.1. ANNUAL FIXED SALARY (UNCHANGED)**

The Management Board members receive an annual fixed salary in twelve equal monthly installments.

### **C.2.2. FRINGE BENEFITS (UNCHANGED)**

SLM Solutions Group AG specifically provides the following fringe benefits: Each Management Board member is generally provided with a company car, also for private use. Furthermore, accident insurance has been taken out for the Management Board members. In addition to this, SLM Solutions Group AG may reimburse the Management Board member for one-off relocation costs, accommodation costs for a limited time period or tax consultancy costs.

## **C.3. VARIABLE REMUNERATION COMPONENTS (MODIFIED)**

The variable remuneration is composed of two components, geared towards the successful and sustainable development of SLM Solutions Group AG by setting effective incentives for growth and increasing profitability: short-term variable remuneration in the form of an annual bonus payment (target bonus) and long-term variable remuneration in the form of a performance cash plan. The target bonus provides an incentive to achieve the ambitious operational objectives of the fiscal year, which in turn are derived from the business strategy and the annual budget plans. The performance cash plan provides an incentive to foster the sustainable and long-term performance of SLM Solutions Group AG.

The variable remuneration components are described below. In doing so, it is made clear which relationship exists between the achievement of the performance criteria and the respective payout amount from the variable remuneration. It is also explained, in which form and when the members of the Management Board may dispose of the granted variable remuneration amounts.

### **C.3.1. SHORT-TERM VARIABLE REMUNERATION (SHORT-TERM INCENTIVE) (MODIFIED)**

The short-term variable remuneration is a target bonus with a one-year performance period. The target bonus depends on SLM Solution Group AG's business success in the respective fiscal year. The payout is calculated based on the achievement of financial performance criteria, for example order intake, revenue, and earnings, and a performance multiplier taking into account the non-financial performance of the management board. The number and nature of the financial performance criteria, the non-financial targets and the respective weightings are set annually by the Supervisory Board for the respective fiscal year.

The payout factor for each financial performance criterion lies in a range between 0% and 150%. Target, threshold, and stretch values for the performance criteria are derived from the budget plans and are set annually by the Supervisory Board. A subsequent change to the target values is excluded. The Supervisory Board annually defines a payout factor curve for each financial performance criterion. The payout factor curve translates the actual value for each financial performance criterion into a payout factor.

If the actual value of the respective performance criterion is below the threshold, this results in a payout factor of 0%. If the actual value for the respective performance criterion is equal to or above the stretch, this results in a maximum payout factor of 150%. The overall payout factor is calculated by multiplying the payout factors of the financial performance criteria by their respective weightings and adding up these weighted payout factors.

The performance multiplier is set by the Supervisory Board after each fiscal year in a range between 0.7 and 1.3. The Supervisory Board considers the non-financial performance of the Management Board. To assess non-financial performance, the Supervisory Board defines targets for each fiscal year. These may be based on different dimensions, for example operations, customer, or technology, and must be relevant for the success of SLM Solutions Group AG. Modifications of these targets may not be made retrospectively. In addition, the Supervisory Board may consider the Management Board's holistic performance at its discretion.

To determine the final payout amount, the overall payout factor is multiplied by the performance multiplier and by the target amount. The final payout amount is capped at a maximum of 150% of the individual and contractually agreed target amount (cap). If the overall payout factor for the financial performance criteria is already 150%, the performance multiplier cannot increase the payout amount any further.

The short-term variable remuneration for the past fiscal year is due two months after the end of the ordinary Annual General Meeting. If the employment contract starts or ends in the current fiscal year, the individual target amount is reduced on a pro rata temporis basis to the time of the start or end of the employment contract. In case of extraordinary events or developments, the Supervisory Board is entitled to adapt the terms and conditions of the short-term variable remuneration appropriately, at its equitable discretion.

The financial performance criteria set by the Supervisory Board for each fiscal year, including target values, threshold, and stretch, the payout factor curves, and the non-financial targets will be disclosed in the remuneration report for the respective fiscal year, if required.

### **C.3.2. LONG-TERM VARIABLE REMUNERATION (LONG-TERM INCENTIVE PLAN) (MODIFIED)**

The long-term variable remuneration is granted in the form of a performance cash plan. Tranches of the sequential plan are allocated every three years. The payout amount depends on the long-term performance of SLM Solutions Group AG, assessed over a three-year performance period.

The payout is calculated based on the achievement of financial performance criteria, for example revenue and earnings, and a multiplier taking into account the achievement of qualitative targets by the management board. The number and nature of the financial performance criteria, the qualitative targets, and the respective weightings are set by the Supervisory Board for the respective performance period. The payout factor for each financial performance criterion lies in a range between 0% and 250%. Target, threshold, and stretch values for the performance criteria are derived from long-term planning and



strategic objectives and are set by the Supervisory Board for every performance period. A subsequent change to the target values is excluded. The Supervisory Board defines a payout factor curve for each financial performance criterion. The payout factor curve translates the actual value for each financial performance criterion into a payout factor. If the actual value of the respective performance criterion is below the threshold, this results in a payout factor of 0%. If the actual value for the respective performance criterion is equal to or above the stretch, this results in a maximum payout factor of 250%. The overall payout factor is calculated by multiplying the payout factors of the financial performance criteria by their respective weightings and adding up these weighted payout factors.

The multiplier is set by the Supervisory Board after each fiscal year in a range between 0.8 and 1.2. The Supervisory Board considers the Management Board's holistic performance and evaluates the achievement of qualitative targets in a discretionary assessment. These qualitative targets are based on different dimensions, for example customer satisfaction or ESG.

After expiration of the performance period the profitability of SLM Solutions Group AG over the three-year performance period is considered in an ex-post assessment as an additional condition of payout (underpin). If the result of the assessment is negative, the Supervisory Board is entitled to reduce or completely cancel the long-term variable remuneration.

The long-term variable compensation vests after expiration of the three-year performance period and a positive ex-post assessment of profitability. To determine the final payout amount, the overall payout factor is multiplied by the multiplier and by the target amount. The final payout amount of the long-term variable remuneration is capped at a maximum of 250% of the individual and contractually agreed target amount (cap). If the overall payout factor for the financial performance criteria is already 250%, the multiplier cannot increase the payout amount any further.

If the employment contract starts or ends during the performance period, the individual target amount is reduced on a pro rata temporis basis to the time of the start or end of the employment contract. If the employment contract ends during the three-year term, the payout is made after the end of the respective three-year performance period. The payout amount is calculated based on the ex-ante defined parameters. The payout amount should be paid out within three months from approval of the consolidated financial statements by the Supervisory Board, but at the latest twelve months after the end of the fiscal year in which the performance period ends.

In case of extraordinary events or developments, the Supervisory Board is entitled to adapt the terms and conditions of the long-term variable remuneration appropriately, at its equitable discretion. The long-term variable remuneration contains standard provisions for a lapse of the long-term variable compensation, e.g., in case of extraordinary termination of the employment relationship by the company (so-called Bad Leaver Clauses). In accordance with the provisions every granted tranche, whose

performance period has not yet ended at the time of termination, forfeits without entitlement to a remuneration payment.

Relevant information regarding the financial performance criteria, including target values, threshold, and stretch, the payout factor curves, and the qualitative targets will be disclosed in the respective remuneration report for the fiscal year, in which the performance period expires, if required.

### **C.3.3. MALUS AND CLAWBACK REGULATION FOR THE VARIABLE REMUNERATION COMPONENTS (UNCHANGED)**

In case of serious, verifiable violations by the Management Board member that are grossly in breach of duty or immoral, against material duties of care in respect to the management of the company ("Malus Offense"), the Supervisory Board may reduce and completely cancel all or individual remuneration elements (short-term and long-term variable remuneration) that are granted for the fiscal year, in which the violation occurred, or demand their return, as a whole or in part. A Malus Offense exists with individual misconduct, as well as with organizational culpability, where the Management Board member has violated supervisory or organizational obligations with malice or gross negligence. The Supervisory Board decides on this in the respective individual case according to its due discretion. In this decision, the Supervisory Board must particularly consider the seriousness of the violation and the amount of the asset damage or reputational damage caused by this.

Individual or all variable remuneration components (short-term and long-term variable remuneration) may be reduced or completely canceled, which are not yet paid out at the time of the Supervisory Board's reclamation decision. Furthermore, paid out variable remuneration elements may be entirely or partly reclaimed. Reduction, cancellation, or reclamation is also possible if the employment relationship is already terminated at the time of the reclamation decision. A reduction, cancellation or reclamation is excluded, if more than five years have elapsed since the Malus Offense. Gross amounts of the variable remuneration element are respectively reduced, completely canceled or reclaimed.

### **C.4. MAXIMUM REMUNERATION (MODIFIED)**

Pursuant to Section 87a, para. 1, sentence 2, no. 1 AktG, the Supervisory Board has set a maximum remuneration for the members of the Management Board. Maximum remuneration limits payments of remuneration granted for a given fiscal year (total of all remuneration amounts spent for the relevant fiscal year, including annual fixed salary, variable remuneration, fringe benefits and possible special remuneration), irrespective of whether it is paid out in this fiscal year or at a later time. The maximum remuneration for the Management Board members is EUR 10,000,000.00 gross each.

### **C.5. REMUNERATION-RELATED LEGAL TRANSACTIONS**

#### **C.5.1. TERMS OF THE EMPLOYMENT CONTRACTS (UNCHANGED)**

The employment contracts of the Management Board members are valid for the duration of the current appointments of the Management Board member. As a rule, the first-time appointments of Management

Board members are for a period of three years. A reappointment period is specified individually in consideration of the legal provisions, at the due discretion of the Supervisory Board.

#### **C.5.2. PRECONDITIONS FOR THE TERMINATION OF REMUNERATION-RELATED LEGAL TRANSACTIONS (UNCHANGED)**

If the appointment as a Management Board member is revoked, the employment contract will also be terminated. If the reason for revocation is not simultaneously a compelling reason within the meaning of Section 626 (1) of the German Civil Code (BGB), the employment contract will only end once a notice period of six months to the month-end has elapsed from the end of the appointment, however no later than at the end of the term of the employment contract.

If the Management Board member becomes permanently unable to work during the term of the employment contract, the employment contract will end at the end of the sixth month after the determination of permanent incapacity to work.

The employment contract ends no later than at the end of the month in which the Management Board member reaches the regular pensionable age in the statutory pension insurance scheme.

#### **C.5.3. DISMISSAL REMUNERATION (MODIFIED)**

With an early termination of the employment contract without a compelling reason, payments to the Management Board member, including fringe benefits, may not exceed the value of two years' remuneration (Severance Cap) and must not amount to more than the remuneration for the remaining term of the employment contract.

Within the scope of its due discretion, the Supervisory Board shall decide whether it arranges a post-contractual non-competition clause. If so arranged, the Management Board members are not allowed to enter into competition with the Company for a period of up to 24 months after termination of the employment relationship, unless the Management Board member has reached the age of 67 by the time they leave, the employment relationship existed for less than one year or the Company waives the post-contractual non-competition clause. During the period of a postcontractual non-competition clause, the Management Board members are entitled to waiting time remuneration to the amount of 50% of the average monthly fixed remuneration received by the Management Board members over the last 12 months. The waiting time remuneration falls due at the end of each month. Everything that the Management Board member earns or maliciously omits to earn will be offset from the waiting time compensation, insofar as the waiting time compensation and the income exceed the last monthly fixed remuneration.

There are no change-of-control arrangements.

**D. CONSIDERATION OF THE REMUNERATION AND EMPLOYMENT TERMS AND CONDITIONS OF THE EMPLOYEES WHEN DETERMINING THE REMUNERATION SYSTEM (UNCHANGED)**

When determining the remuneration system, the Supervisory Board also considers the remuneration and employment terms and conditions of the employees. For the assessment of the adequacy of the remuneration, the comparative environment of SLM Solutions Group AG (horizontal comparison) and the internal company remuneration structure (vertical comparison) are taken into consideration. The vertical comparison refers to the ratio of the Management Board compensation to the compensation of the top management level and total workforce of SLM Solutions Group AG and its affiliated companies. In doing so, the Supervisory Board also takes the development of the remuneration of the described groups into consideration over time.

**E. PROCEDURE FOR DETERMINATION AND IMPLEMENTATION AS WELL AS REVIEW OF THE REMUNERATION SYSTEM (UNCHANGED)**

The Supervisory Board resolves on a clear and understandable remuneration system for the Management Board members. The Presidential Committee is responsible for preparing the resolution of the Supervisory Board regarding the remuneration system and the regular review of the remuneration system. The Presidential Committee provides the Supervisory Board with all information required for reviewing the remuneration system. A review of the remuneration system is conducted by the Supervisory Board at its due discretion, however, no later than every four years. In doing so, the Supervisory Board performs a market comparison and particularly takes into account changes to the market environment, the overall economic situation and strategy of the company, changes and trends of the national and international corporate governance standards and the salary structure in the Company and other companies of a comparable size and industry. If necessary, the Supervisory Board calls in external remuneration experts and other advisers. In doing so, the Supervisory Board ensures the independence of the external remuneration experts and advisers from the Management Board and takes precautions to avoid conflicts of interest. In case of any significant change to the remuneration system, the Supervisory Board presents the adopted remuneration system to the general meeting, however, at least every four years. If the Annual General Meeting does not approve the presented system, the Supervisory Board shall present a revised remuneration system for approval at the next Annual General Meeting. The Supervisory Board shall ensure with appropriate measures that possible conflicts of interest of the Supervisory Board members involved in the consultations and decisions about the remuneration system are avoided and, where appropriate, resolved. Each Supervisory Board member is obligated to notify conflicts of interest to the Supervisory Board. The Supervisory Board decides on how to deal with an existing conflict of interest on a case-by-case basis. In particular, it is taken into consideration that a Supervisory Board member affected by a conflict of interest may not participate in a meeting or individual consultations and decisions of the Supervisory Board. The Supervisory Board may temporarily deviate from the remuneration system (procedures and regulations

for the remuneration structure) and its individual components, as well as in relation to individual components of the remuneration system or introduce new remuneration components, if this is in the interest of the long-term welfare of the Company. The Supervisory Board reserves the right to make such deviations, particularly for extraordinary circumstances, such as in the event of an economic or Company crisis, for example.

## **2. Report of the Management Board on the utilization of the Authorized Capital 2022 excluding subscription rights on September 2, 2022**

By resolution of the Annual General Meeting on May 17, 2022, entered in the commercial register on July 4, 2022, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital of the Company by May 16, 2027 in whole or in part, on one or several occasions by up to EUR 11,350,862.00 by issuing up to 11,350,862 new bearer shares against cash payments and/or contributions in kind ("**Authorized Capital for 2022**"). Among other things, the Management Board was also authorized, with the consent of the Supervisory Board, to exclude the shareholders' statutory subscription rights in case of capital increases against cash contributions if the issue price of the new shares issued pursuant to Section 186 (3) sentence 4 AktG is not significantly lower than the stock market price of shares of the same class and conditions already listed and the total pro rata amount of capital stock represented by the new shares issued with exclusion of subscriptions rights pursuant to Section 186 (3) Sentence 4 (AktG) does not exceed 10% of the existing share capital at the time this authorization takes effect and at the time this authorization is exercised.

On September 2, 2022, the Management Board, with the approval of the Supervisory Board on the same day, decided to partially utilize the Authorized Capital 2022 and increase the Company's share capital by EUR 2,701,725.00 by issuing 2,270,172 new, no-par value bearer shares with a pro rata amount of the share capital attributable to each share of EUR 1.00 and entitlement to a share of profits beginning January 1, 2022 (the "**New Shares**") to EUR 24,971,897.00 (the "**Capital increase 2022** ") and to exclude shareholders' subscription rights to the New Shares. The New Shares were offered to Nikon AM. AG at a placement price of EUR 20.00 per New Share for subscription.

The capital increase became effective upon registration of its execution on September 9, 2022 in the commercial register. The gross issue proceeds from the Capital increase 2022 in the amount of EUR 45,403,440.00 served to partially repay the convertible bond 2017/2024 and to finance the ongoing business operations.

The placement price of EUR 20.00 corresponded exactly to the price at which Nikon AM. AG had offered to all shareholders of SLM Solutions Group AG in the context of a voluntary public takeover offer to acquire all outstanding shares of SLM Solutions Group AG announced on September 2, 2022. The placement price corresponded to a premium of 75% on the XETRA closing price of SLM shares on September 1, 2022 and a premium of 84% on the volume-weighted average price of the SLM share in XETRA trading of the Frankfurt Stock Exchange during the last three months before the resolution of the Management Board and the Supervisory Board regarding the capital increase.

The Capital increase 2022 thus complied with the legal requirements of Section 186 (3) sentence 4 AktG as well as with the scope of the authorization granted by the Annual General Meeting on May 17, 2022

both in terms of its volume of just under 10% of the share capital at the time the Authorized Capital 2022 took effect and was used and in terms of the issue price of the new shares, which was not only significantly lower than the stock market price, but actually exceeded it.

The placement of the new shares with Nikon AM. AG, with which, at the same time as the resolution on the Capital increase 2022, an investment agreement was concluded in relation to the voluntary public takeover offer by Nikon AM. AG to the shareholders of the Company, resulted in a significantly higher issue price than would have been the case with a broadly diversified placement with institutional investors involving a syndicate of banks.

The implementation of the capital increase in 2022 with the exclusion of shareholders' subscription rights in the form decided by the Management Board and Supervisory Board was therefore in the Company's interests and was appropriate.

### **3. Report of the Management Board to the Annual General Meeting pursuant to Sections 203 (2), (4) sentence 2 AktG (agenda item 8)**

Adequate capitalization and financing are an essential basis for the further development of the Company. The issuance of new shares within the framework of a capital increase will increase the Company's equity and thus also its possible course of action for further growth of the Company, but also when raising debt capital. As long as the Company is listed on the stock exchange, the Management Board shall have flexible possibilities, with the consent of the Supervisory Board, to use financing possibilities in the interest of the Company to take advantage of business opportunities and to strengthen the equity base.

By resolution of the Annual General Meeting on May 17, 2022, entered in the Commercial Register on July 4, 2022, the Management Board was authorized, with the consent of the Supervisory Board, to increase the share capital in whole or in part, on one or several occasions, by a total of up to EUR 11,350,862.00 by issuing up to 11,350,862 new no-par value bearer shares against cash and/or contributions in kind ("**Authorized Capital 2022**"). The Authorized Capital 2022 was partially utilized by a capital increase against cash contributions under exclusion of shareholders' subscription rights in the amount of EUR 2.270.172,00, which was entered in the commercial register on September 9, 2022, so that the 10% limit of the simplified exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG has been exhausted and the Authorized Capital 2022 can no longer be used for a capital increase under simplified exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG. This significantly restricts the possibility of carrying out capital increases on the basis of the Authorized Capital 2022.

The Management Board and the Supervisory Board consider it expedient to continue to enable the Company, as a precautionary measure for as long as it is listed on the stock exchange, to increase the share capital under exclusion of subscription rights, if necessary, also at short notice, to the extent permitted by law,. The remaining Authorized Capital 2022 shall therefore be cancelled and replaced by a new Authorized Capital 2023, which shall correspond in its structure to the previous requirements.

When utilizing the Authorized Capital 2023, the shareholders generally have a subscription right. Pursuant to Section 203 (1) sentence 1 AktG in conjunction with Section 186 (5) AktG, new shares may also be underwritten whole or in part by a credit institution or syndicate of credit institutions determined by the Management Board with the obligation to offer them to the shareholders of the Company for subscription (so-called "*mittelbares Bezugsrecht*"). In doing so, the Management Board shall be permitted, with the consent of the Supervisory Board, to structure the subscription right partly as a direct subscription right and otherwise as an indirect subscription right. In particular, it may be expedient and in the interest of the Company for cost reasons to offer the new shares for subscription directly to a major shareholder with subscription rights who has agreed in advance to purchase a fixed number of new shares corresponding to his subscription right, in order to avoid the fees of the issuing banks incurred by the Company in the case of an indirect subscription right. For shareholders to whom the new shares are offered by way of indirect subscription rights, this does not constitute a restriction of their subscription rights. The proposed authorization provides that the Management Board - in accordance with the statutory provisions - may, with the consent of the Supervisory Board, exclude the shareholders' subscription rights in whole or in part in the cases explained below:

(i) The authorization provides for the exclusion of subscription rights in the event of a cash capital increase, but is limited to a maximum amount of 10% of the capital stock existing at the time Authorized Capital 2023 becomes effective. A corresponding provision in the authorization resolution also ensures that the 10% limit is not exceeded even in the event of a capital reduction, as the authorization to exclude subscription rights explicitly may not exceed 10% of the capital stock, either at the time it takes effect or - if this value is lower - at the time this authorization is exercised. Shares issued or sold by direct or *mutatis mutandis* application of Section 186 (3) sentence 4 AktG during the term of this authorization up to the time it is exercised shall count towards the 10% limit. Shares which may be or are to be issued by the Company to service conversion or option rights or to fulfill conversion or option obligations under bonds with option and/or conversion rights or obligations (or a combination of these instruments) shall also be counted towards this authorization, provided that the bonds carrying a corresponding conversion or option right or conversion or option obligation convey a conversion or option right or conversion obligation. a conversion or option obligation, are issued during the term of this authorization until the time of their exercise in corresponding application of Section 186 (3) sentence 4 AktG to the exclusion



of shareholders' subscription rights. The purpose of this authorization is to make use of the option of simplified exclusion of subscription rights pursuant to Sec. 203 (1), (2) in conjunction with Sec. 186 (3) sentence 4 AktG. This possibility serves the interest of the Company in achieving the best possible price when issuing the shares. The possibility of excluding subscription rights, as provided for by law in Section 186 (3) sentence 4 AktG, enables the Company to take advantage of opportunities that arise quickly and flexibly as well as cost-effectively on account of the respective stock market situation. This achieves the best possible strengthening of equity in the interests of the Company and all shareholders. By dispensing with the time-consuming and costly processing of subscription rights, any equity requirements can be covered in a timely manner.

Although Section 186 (2) AktG permits publication of the subscription price up to the third last day of the subscription period. However, in view of the volatility on the stock markets, which is frequently observed and has increased in particular in recent times, even then there is a market risk over several days, which leads to safety margins when determining the subscription price. In addition, the granting of a subscription right may jeopardize its successful placement with third parties or entail additional expense due to the uncertainty of its exercise. Finally, in case of an existing subscription right, the Company cannot react at short notice to favorable or unfavorable market conditions due to the length of the subscription period of two weeks, but is exposed to declining share prices during the subscription period, which may lead to a less favorable equity procurement for the Company. The possibility of a capital increase that can be implemented at short notice is particularly important for the Company because it must be able to exploit market opportunities in its markets quickly and flexibly and, if necessary, cover any emerging capital requirements at very short notice.

The selling price and thus the funds accruing to the Company for the new shares will be based on the stock market price of the shares already listed and will not fall significantly below the current stock market price. In view of the fact that the shares of the Company are admitted to trading on the regulated market of the Frankfurt Stock Exchange, shareholders interested in maintaining their shareholding quota can, according to the current status, acquire additional shares of the Company via the stock exchange when exercising the authorization under exclusion of the subscription right pursuant to Section 186 (3) sentence 4 AktG.

- (i) The authorization to exclude the subscription right for fractional amounts serves to ensure that a practicable subscription ratio can be represented with regard to the amount of the respective capital increase. The new shares excluded from the shareholders' subscription

right as fractional shares will be realized either by sale on the stock exchange or otherwise in the best possible way for the Company.

Having weighed up all the above circumstances, the Management Board, in agreement with the Supervisory Board, considers the authorizations to exclude subscription rights to be objectively justified and appropriate for the reasons stated, also taking into account the potential dilution effect to the detriment of shareholders if the authorizations in question are utilized.

There are currently no concrete plans to utilize the Authorized Capital 2023. Corresponding anticipatory resolutions with the option to exclude subscription rights are common practice both nationally and internationally. The approval of the Supervisory Board is required for all cases of exclusion of subscription rights proposed here. The Management Board will also carefully examine in each case whether the use of Authorized Capital 2023 is in the interests of the Company; in particular it will also examine whether any exclusion of subscription rights is objectively justified in each individual case. The Management Board will report to the next Annual General Meeting on each utilization of the authorization.

### III. Remuneration report together with the auditor's report

#### SLM Solutions Group AG, Lübeck

##### Remuneration Report for the 2022 fiscal year

The remuneration report outlines the remuneration of members of the Management Board and Supervisory Board of SLM Solutions Group AG in accordance with Section 162 AktG. The underlying remuneration system complies with the requirements of the German Stock Corporation Act (Section 87a AktG), and fundamentally conforms to the valid recommendations of the German Corporate Governance Code (DCGK).

The remuneration system for the Management Board and Supervisory Board of SLM Solutions Group AG is aligned with the responsibility and tasks of each person and takes the economic situation of the Company into account in the variable components pertaining to the Management Board. The Supervisory Board consults about and approves the Management Board's remuneration. The 2021 Remuneration Report was approved at the 2022 Annual General Meeting with 52.78%.

Remuneration for individual members of the Management Board comprises both fixed and variable components, in compliance with the German Corporate Governance Code. The existing employment contracts contain, in variable portion, a short-term incentive program (STI) and a multi-year long-term incentive program (LTIP). The original LTIP was replaced by a new program in 2022 due to a change of control. The following statements provide an overview of the individual components of the applicable remuneration system approved by the Annual General Meeting on June 16, 2021 (Remuneration System 2021). Mr. Ackermann's and Mr. Grace's contracts are governed by this Agreement. Deviating from this remuneration system, individual agreements were made with Mr. O'Leary, Mr. Ackermann, and Mr. Grace in 2022, which will come into effect in the event of a change of control (CoC).

##### Management Board structure

In the 2022 fiscal year, the Management Board was made up of two to three members. Mr. Charles Grace was appointed as a third member of the Management Board on July 15, 2022.

- Sam O'Leary, CEO
- Dirk Ackermann: CFO
- Charles Grace: COO, Member of the Management Board since July 15, 2022

##### Overview of the Management Board's remuneration in the 2022 fiscal year

In the 2022 fiscal year, remuneration of the members of the Management Board consisted of:

### *Fixed remuneration*

The fixed remuneration consists of twelve, monthly installments, which are paid at the end of the month. It forms the basic income for the highly-qualified Members of the Management Board. The appropriateness of the fixed remuneration is checked regularly.

### *Short-term incentive program annual bonus (STI)*

With the achievement of goals pursuant to the remuneration system, the short-term incentive is oriented towards a single-year assessment period. The conditions for the STI are determined by the Supervisory Board in detail for each fiscal year with reasonable discretion. In doing so, the performance and operative criteria are above all oriented towards strategic targets and also ESG targets (Environment/Social/Governance). The STI serves as motivation for the Management Board members to achieve financial, operative and strategic targets. The Supervisory Board has the opportunity to take into account extraordinary developments within reason. Due to the ongoing special situation caused by the Covid pandemic and takeover negotiations with the Japanese company Nikon, the Supervisory Board has not set any targets for 2022, as the effects on SLM Solutions were not foreseeable.

In principle, the STI is limited to 130% of the target amount if the target is exceeded. Unless the Supervisory Board makes new stipulations, the stipulated conditions shall also apply to the respective next financial year.

### *Long-term incentive program (LTIP)*

For this long-term, variable remuneration, SLM has determined the Long Term Incentive Program (LTIP) 2021. This program foresees a performance-related payment as such that so-called Stock Appreciation Rights (SARs) are allocated to the Management Board. The value of the respective annually assigned SARs should be oriented to both the assignment at the time and to the development of the share price of the Company regarding its further development.

Pursuant to the LTIP 2021, there is a pure cash compensation of the SARs.

This long-term remuneration was oriented towards sustainability. The four-year performance period was aimed at ensuring that the Management Board's actions in the current financial year are also oriented towards long-term development.

If a Management Board member resigns from the Management Board as a so-called "bad leaver," all vested and non-vested SARs of the Management Board member concerned, including all related rights and entitlements, are forfeited without entitlement to compensation. Such a situation occurs, for example, in the event of an extraordinary termination (except for an effective termination

without notice by the board member for good cause pursuant to Section 626 BGB) or in the event of an application for early termination of the service contract by the Management Board member. However, the takeover by the Japanese company Nikon resulted in a change of control. The change of control, which had already been planned for 2022, finally took place on January 23, 2023. For this reason, the LTI program was replaced by a change-of-control compensation (CoC compensation) payment. The change of control clause protects the members of the Management Board in the event of a change of control. This is beneficial for the Company, as it puts the members of the Management Board in a position to make their decisions solely in the interests of the Company, even in the case of upcoming takeovers, without having to keep an eye on their own position.

It is agreed that all rights and entitlements arising from or in connection with the LTIP, any LTI amount granted, and all SARs (vested and non-vested) granted prior to the Change of Control taking effect (including any rights or entitlements arising from the LTIP 2021 and the LTIP 2022) are hereby fully settled and that the Management Board members are therefore not entitled to any further payment in connection with such LTI.

These CoC LTI Agreements are also oriented towards sustainability. The performance period of two to four years was aimed at orienting the Management Board's actions during the course of the current fiscal year towards long-term development. If a Management Board member leaves the Management Board as a so-called "bad leaver," all rights of the Management Board member concerned are forfeited, including all associated rights and claims without entitlement to compensation for the LTI remuneration that is not yet due and paid.

#### *Change of Control Compensation (CoC Compensation)*

"Change-of-Control" means a public takeover bid in relation to the Company or a takeover bid in connection with the delisting of the Company where a third party acquires more than 50% of the shares of the Company.

The "change-of-control remuneration" is based on the offer price for the shares in the Company for the takeover offer (including any increases and additional payments owed) in accordance with Section 31 of the Securities Acquisition and Takeover Act (WpÜG) and the WpÜG Offer Ordinance. It is EUR 20.00 per share.

The CoC remuneration is to be paid in several tranches over a longer period of time in order to create an incentive for the members of the Management Board to continue their work after the takeover. This ensures the loyalty of the Management Board members to the Company.

The breakdown of the tranches is explained under the individual promised benefits.

To prevent any doubt, neither the CoC payment amounts nor any tranches thereof bear interest and the Management Board member is not obliged to reinvest any part of the CoC remuneration in shares of the Company.

### *Additional benefits*

A company car is made available to Management Board members Mr. Ackermann and Mr. O'Leary. Furthermore, some school fees for school-aged children and tax advice costs are reimbursed. As a result, a more attractive working environment is created.

### *Individually confirmed benefits*

The following regulations applied to Mr. O'Leary and Mr. Ackermann:

In the event of early termination of the executive body without good cause pursuant to Section 626 BGB, payments to the member of the Management Board, including fringe benefits, must not exceed the value of two years' remuneration ("severance cap") and may not remunerate more than the remaining term on the contract. A severance payment is offset against the waiting allowance for the subsequent non-competition clause. This relates to a period of 12 months after termination of the contract. The waiting allowance amounts to 50% of the average remuneration received by the member of the Management Board over the last twelve months.

In addition to serving as a director of the Company, Mr. Grace serves as General Manager and Global Chief Commercial Officer for SLM Solutions NA, Inc., a subsidiary of the Company. The basis for this activity at SLM Solutions NA, Inc. is the "Employment Agreement" between Mr. Grace and SLM Solutions NA, Inc. dated February 8, 2021 (USA employment contract).

The remuneration according to the US employment contract is offset in full against the remuneration for his work on the Management Board. This contract relates to an annual salary of USD 250,000 and a maximum STI of USD 150,000, which is limited to a maximum of 130% of the amount if the targets are exceeded. In addition, he receives USD 25,000 for his work as a member of the Management Board, so the total annual salary is USD 275,000 excluding the STI.

As previously mentioned, all Management Board members receive change-of-control (CoC) compensation. The payment due dates differ for the members of the Management Board and are linked to remaining in the Company.

For Mr. O'Leary and Mr. Grace:

The first tranche of the CoC remuneration corresponds to 50% of the total CoC remuneration and is due when the change of control takes effect.

The second tranche of the CoC remuneration amounts to 12.5% of the total CoC remuneration and will be paid out on April 30, 2024.

The third tranche of the CoC remuneration amounts to 12.5% of the total CoC remuneration and will be paid out on April 30, 2025.

The fourth tranche of the CoC remuneration amounts to 12.5% of the total CoC remuneration and will be paid out on April 30, 2026.

The fifth and final tranche of the CoC fee amounts to 12.5% of the total CoC fee and will be paid on April 30, 2027.

For Mr. Ackermann,

the first tranche of the CoC remuneration corresponds to 40% of the total CoC remuneration and is due when the change of control takes effect.

The second and last tranche of the chain of custody remuneration corresponds to 60% of the total chain of custody remuneration and will be paid out on July 31, 2024.

The CoC took place on January 23, 2023.

#### Target total remuneration for the 2022 fiscal year

The target total remuneration presents the remuneration amount that would take effect if all of the targets were achieved and the share price remained the same, and as a result sets incentives for a strong company performance, as well as both collective and individual performances. If the set targets are not achieved, this could lead to a significant reduction in remuneration.

		Fixed remuneration	Additional benefits	STI	Total
Sam O'Leary	Target amount	550	33	200	783
	Share (%)	70	4	26	100
Dirk Ackermann	Target amount	275	8	75	358
	Share (%)	77	2	21	100
Charles Grace	Target amount therein target	126	6	69	201
	amount USA	115	6	69	190
	Share (%)	63	3	34	100

Target amounts for fringe benefits correspond to the value of the guaranteed amounts in the fiscal year.

#### Upper limits on individual remuneration elements

The fixed remuneration and ancillary benefits are defined as fixed amounts and as a result cannot be set higher. The short-term, variable remuneration (STI) is limited to 130% of the target value. The maximum payment amount for long-term, variable remuneration (CoC) varies depending on the

Management Board member. The total CoC remuneration for Mr. Sam O'Leary is kEUR 7,000 gross, for Mr. Dirk Ackermann it is kEUR 2,000 and for Mr. Grace it is kEUR 2,000. The maximum annual remuneration for all Management Board members is kEUR 10,000 and is not exceeded. The allocation of payment due dates for the individual members of the Management Board has already been explained.

#### Benefits for resigned Management Board members in the year

No payments were made to former Management Board members in 2022.

#### Granted and owed remuneration

##### Management Board

According to Section 62(1) AktG, all fixed and variable remuneration components that were "granted and owed" to the individual current and former members of the Management Board in the 2022 fiscal year must be disclosed. Remuneration is deemed "granted" if it is received and "owed" when it becomes due but is not yet fulfilled. Since remuneration according to this understanding of the term cannot be granted and owed at the same time, the remuneration is stated at the earlier point in time. The figures given in the following table include all benefits actually received in the 2022 financial year, regardless of the financial year to which the inflow relates. In this way, the STI that is a result of achieving a target in 2021 is exhibited in the 2022 table, the year of actual payment.

	Sam O'Leary			
	Management Board member since December 1, 2019			
	2021		2022	
	in kEUR	in %	in kEUR	in %
Fixed remuneration	535	67	550	65
Additional benefits	32	4	33	4
<b>Total</b>	<b>567</b>	<b>71</b>	<b>583</b>	<b>69</b>
Short Term Incentive (STI)	130	16	260	31
Long-Term Incentive (LTI) / CoC in 2022	100	13	0	0
<b>Total</b>	<b>230</b>	<b>29</b>	<b>260</b>	<b>31</b>
<b>Total remuneration</b>	<b>797</b>	<b>100</b>	<b>843</b>	<b>100</b>

	Dirk Ackermann			
	Management Board member since August 1, 2021			
	2021		2022	
	in kEUR	in %	in kEUR	in %
Fixed remuneration	115	97	275	87
Fringe benefits	3	3	8	3



Total	118	100	283	90
Short Term Incentive (STI)	0	0	31	10
Long-Term Incentive (LTI) / CoC in 2022	0	0	0	0
Total	0	0	31	10
Total remuneration	118	100	314	100

Charles Grace				
Management Board member since July 15, 2022				
	2021		2022	
	in kEUR	in %	in kEUR	in %
Total Fixed Fee including fixed remuneration USA	0	0	126	63
Additional benefits	0	0	6	3
Total	0	0	132	66
Short Term Incentive (STI)	0	0	69	34
Long-Term Incentive (LTI) / CoC in 2022	0	0	0	0
Total	0	0	69	34
Total remuneration	0	0	201	100

André Witt <sup>1</sup>				
Management Board member from January 21, 2021 to July 31, 2021				
	2021		2022	
	in kEUR	in %	in kEUR	in %
Fixed remuneration	84	72	0	0
Additional benefits	32	28	0	0
Total	116	100	0	0
Short Term Incentive (STI)	0	0	0	0
Long-term incentive (LTI)	0	0	0	0
Total	0	0	0	0
Total remuneration	116	100	0	0

<sup>1</sup>Mr. André Witt was employed in the interim as a Management Board member.

	Meddah Hadjar <sup>2</sup>			
	Management Board member since May 1, 2019 to January 20, 2021			
	2021		2022	
	in kEUR	in %	in kEUR	in %
Fixed remuneration	31	97	0	0
Additional benefits	1	3	0	0
<b>Total</b>	<b>32</b>	<b>100</b>	<b>0</b>	<b>0</b>
Short Term Incentive (STI)	0	0	0	0
Long-term incentive (LTI)	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total remuneration</b>	<b>32</b>	<b>100</b>	<b>0</b>	<b>0</b>

<sup>2</sup>Mr. Meddah Hadjar was dismissed from the Management Board on January 20, 2021.

The Supervisory Board makes decisions with reasonable discretion regarding the target setting and target achievement of the Management Board for the STI and CoC. Due to the special situation caused by the Covid 19 pandemic and the unforeseeable development of the global economy and the consequences for SLM Solutions, no targets were set for 2021. For this reason, the Supervisory Board, at its own discretion, has set an STI target achievement of 130% for Mr. O'Leary and 100% for Mr. Ackermann. For the former Management Board members, Mr. Witt and Mr. Hadjar, no STI was agreed for 2021 and accordingly not paid out. The limits of the maximum remuneration were observed. Compensation components from LTI are not taken into account, as all rights and claims based on the CoC have been settled. The ratios of the individual ratios of the remuneration components provided for in the remuneration system were not adhered to in 2022. This is a result of the special agreements due to the CoC situation. The option to reclaim variable remuneration components was not utilized.

### Supervisory Board

The remuneration regulations for the Supervisory Board are laid down in Section 13 of the Articles of Association of the Company and were confirmed at the Annual General Meeting of June 2, 2017. Supervisory Board remuneration is provided as purely fixed remuneration. It takes into account the responsibilities and scope of activities of the Supervisory Board members. Chair, Vice Chair on the Supervisory Board, Chair and membership on the Presidential Committee, as well as the Audit Committee are also remunerated. Members of the Supervisory Board or the Committees that are in office for less than a whole year receive a pro rata remuneration.

Fixed remuneration subsequently amounts to:

Supervisory Board:

- Member EUR 25,000
- Chair EUR 50,000
- Vice Chair EUR 37,500

Presidential Committee:

- Member EUR 5,000
- Chair EUR 10,000

Audit Committee

- Member 7,500
- Chair EUR 15,000

Dr. Busch left the Supervisory Board on April 20, 2022. All members of the Supervisory Board and the Committees were employed in these positions within the Company for the whole year in 2022.

In the following table, the granted and owed remuneration components according to Section 162 (1) AktG are shown. Remuneration is deemed "granted" if it is received and "owed" when it becomes due but is not yet fulfilled.

Supervisory Board member	2022 Total kEUR	Supervisory Board kEUR	Presidential Committee kEUR	Audit Committee kEUR
Hans-Joachim Ihde	30.0	25.0	5.0	
Thomas Schweppe	67.5	50.0	10.0	7.5
Dr. Roland Busch	12.2	7.6		4.6
Kevin Czinger	25.0	25.0		
Magnus René	50.0	37.5	5.0	7.5
Dr. Nicole Englisch	25.0	25.0		
	209.7	170.1	20.0	19.6

Supervisory Board member	2021 Total kEUR	Supervisory Board kEUR	Presidential Committee kEUR	Audit Committee kEUR
Hans-Joachim Ihde	30.0	25.0	5.0	
Thomas Schweppe	67.5	50.0	10.0	7.5
Dr. Roland Busch	40.0	25.0		15.0
Kevin Czinger	25.0	25.0		
Magnus René	50.0	37.5	5.0	7.5
Dr. Nicole Englisch	25.0	25.0		
	237.5	187.5	20.0	30.0

There were no other remuneration agreements for the members of the Supervisory Board. Former members of the Supervisory Board did not receive any remuneration in the year under review.

#### Comparative presentation

In the following table, the granted and owed remuneration components according to Section 162(1) sentence 2 AktG, the annual change in the remuneration of the members of the Management Board and the Supervisory Board is shown in comparison to the Company's earnings development and to the average remuneration of the employees on a full-time equivalent basis. In the comparison group, all employees, including the AG's senior employees, have been considered. The remuneration of employees also includes the employer's contribution to social security. Furthermore, the earning trend is reported using the EBIT of the listed corporation.

Annual change	2022 to 2021	2021 to 2020
		in %
<b>Management Board members active in 2022</b>		
Sam O'Leary (since 12/01/2019)	5.59	127.87
Dirk Ackermann (since 08/01/2021)	186.25	-
		-
<b>Former members of the Management Board</b>		
Dr. W. Gereon Heinemann (from 08/01/2018 to 02/29/2020)	-100	-72.32
André Witt (from 01/21/2021 to 07/31/2021)	-100	-
Meddah Hadjar (from 05/01/2019 to 01/20/2021)	-100	-95.19
<b>Supervisory Board Member</b>		
Hans-Joachim Ihde	0	0
Thomas Schweppe	0	0
Dr. Roland Busch	-69.5	0
Kevin Czinger	0	0
Magnus René	0	0
Dr. Nicole Englisch	0	84.62
<b>Company earnings trend</b>		
Annual result (HGB)	19.3	27.37
EBIT (HGB)	52.4	25.74
<b>Average employee remuneration</b>	5.14	3.89

The option according to Section 26j (2) sentence 2 EGAktG was exercised, to show the development of average employee remuneration for only two years instead of five years.



# **Independent auditor's report on the audit of the remuneration report in accordance with Section 162 (3) AktG**

To SLM Solutions Group AG, Lübeck

## **Audit opinion**

We have formally reviewed the remuneration report of SLM Solutions Group AG, Lübeck, for the fiscal year from January 1 to December 31, 2022 to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG were made in the remuneration report. In accordance with Section 162 (3) AktG, we have not audited the content of the remuneration report.

According to our assessment, the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the attached remuneration report in all material respects. Our audit opinion does not cover the content of the remuneration report.

## **Basis for the audit opinion**

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG, taking into account the IDW auditing standard: The audit of the remuneration report in accordance with Section 162 (3) AktG (IDW PS 870 (08.2021)). Our responsibilities under this rule and this Standard are further described in the "Auditor's Responsibilities" section of our report. As an auditing practice, we have applied the requirements of the IDW quality assurance standard: Requirements for quality assurance in auditing practice (IDW QS 1). We have complied with the professional obligations in accordance with the Auditors' Regulations and the Professional Statutes for Auditors/Certified Accountants, including the requirements for independence.

## **Responsibility of the Management Board and the Supervisory Board**

The Management Board and the Supervisory Board are responsible for preparing the remuneration report, including the related disclosures, which meets the requirements of Section 162 AktG. They are also responsible for those internal controls that they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement due to fraud (i.e. manipulation of accounting and financial loss) or errors.

## **Auditor's Responsibility**

Our objective is to obtain reasonable assurance as to whether the disclosures in accordance with Section 162 (1) and (2) AktG have been made in the remuneration report in all material respects, and to express an audit opinion in a report.

We have planned and conducted our audit in such a way that we can determine the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have not audited the accuracy of the information, the completeness of the individual disclosures, or the appropriate presentation of the remuneration report.

Hamburg, March 16, 2023

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Stefanie Hagenmüller  
03/16/2023

Hagenmüller  
Auditor

Rene Ingo Küntzel  
03/16/2023

Küntzel  
Auditor

#### **IV. Further information about the convocation**

##### **1. Total number of shares and voting rights**

The total number of shares at the time of convening the Annual General Meeting is 31,107,819 shares. All issued shares belong to the same share class. Each no-par value share grants one vote; therefore, the total number of voting rights at the time of convening this Annual General Meeting is 31,107,819 votes. The Company holds no treasury shares at the time of convening the Annual General Meeting.

##### **2. Prerequisites for attending the Annual General Meeting and exercising voting rights**

Pursuant to Section 15 of the Articles of Association of SLM Solutions Group AG, only those shareholders who have registered with the Company for the Annual General Meeting in due time are entitled to participate in the Annual General Meeting and to exercise voting rights. The registration must be sent to the Company to the following address or e-mail address by the end of July 6, 2023 (24:00 CEST) at the latest (receipt is decisive):

SLM Solutions Group AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
E-mail: [anmeldung@better-orange.de](mailto:anmeldung@better-orange.de)

Evidence of the entitlement to participate in the Annual General Meeting and to exercise voting rights must also be provided pursuant to Section 15 of the Company's Articles of Association. Pursuant to Section 15 of the Articles of Association, proof of shareholding by the custodian institution, in German or English text form, is sufficient. A proof of shareholding pursuant to Section 67c (3) AktG is also sufficient. The proof must relate to the beginning of June 22, 2023 (00:00 CEST) (record date) and must be submitted to the Company at the latest by the end of July 6, 2023 (24:00 CEST) at the above address or e-mail address.

After receipt of the proper registration and proper proof of shareholding, the shareholders will be sent admission tickets for the Annual General Meeting and the access data required to use the password-protected internet service (see under IV.3.) at <https://www.slm-solutions.com/en/hv-2023/> (access ID and password). In order to ensure the timely receipt of the admission tickets, we ask the shareholders to ensure that they register and send proof of their shareholding to the Company as early as possible.

The admission tickets that are sent or deposited at the meeting venue are merely organizational aids and are not a prerequisite for participation in the Annual General Meeting and the exercise of voting rights.



### **Importance of the record date**

The record date is the decisive date for the extent and exercise of the participation and voting rights in the Annual General Meeting. In relation to the Company, participation in the Annual General Meeting or exercising voting rights as a shareholder is only valid if you have provided proof of shareholding as of the record date. Changes in the number of shares after the record date are irrelevant. Shareholders who have duly registered and provided proof are also entitled to attend the Annual General Meeting and to exercise their voting rights if they sell the shares after the record date. Persons who do not own any shares on the record date and only become a shareholder of the Company thereafter are only entitled to attend and vote for the shares they then hold at the Annual General Meeting if the Company receives a registration and proof of shareholding from the previous shareholder in due form and time and authorizes the new shareholder to exercise rights. The record date has no effect on the saleability of the shares.

### **3. Password-protected internet service**

Beginning June 22, 2023, a password-protected internet service will be made available on the Company's website at <https://www.slm-solutions.com/en/hv-2023/>. Via this password-protected internet service, registered shareholders (or their proxies) can electronically issue a power of attorney, change or revoke a power of attorney in accordance with the procedures provided for this purpose, issue power of attorney and instructions to the Company's voting representatives, or exercise their voting rights by electronic absentee voting (see IV.4. below for details). The access data (access ID and password) for using the password-protected internet service will be sent to the shareholders along with the admission tickets for the Annual General Meeting (see IV.2. above)

It is not possible to exercise shareholder rights other than those mentioned above via the internet service; in particular, it is not possible to submit questions or motions or object to resolutions of the Annual General Meeting via the Internet service, and the Annual General Meeting will not be broadcast in image and/or sound via the internet service or in any other way.

### **4. Procedure for voting**

#### **Authorization**

Shareholders who do not wish to attend the Annual General Meeting in person and/or who do not wish to exercise their voting rights in person have the option of appointing an intermediary (e.g. a bank), a shareholders' association, a voting rights advisor, or another person of their choice to exercise their voting rights. In this case, too, timely registration by the shareholder for the Annual

General Meeting and timely proof of shareholding, each as described above under IV.2. is required.

The power of attorney can be granted to the Company or directly to the proxy.

The granting of the power of attorney, its revocation, and the proof of the power of attorney to the Company must be in text form, pursuant to Section 134 (3) sentence 3 AktG and Section 15 (4) of the Articles of Association (Section 126b BGB), if neither an intermediary (e.g. a bank) nor a shareholder association, a proxy advisor, or another person or institution of equal status pursuant to Section 135 (8) AktG are authorized.

Proof of the granting of power of attorney can be provided to the Company on the day of the Annual General Meeting by the proxy at the meeting venue. In addition, proof of the granting of power of attorney to the Company can also be provided by sending the power of attorney in text form to the following address or e-mail address:

SLM Solutions Group AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
E-mail: [slm@better-orange.de](mailto:slm@better-orange.de)

Shareholders who wish to authorize another person can use the form for granting a power of attorney, which will be sent to them after proper registration and proof of shareholding. A corresponding form is also available on the Company's website at <https://www.slm-solutions.com/en/hv-2023/> for download. The above transmission channels are also available if the power of attorney is to be granted by declaration to the Company; separate proof of the granting of power of attorney is not required in this case. The revocation or change of power of attorney that has already been granted can also be declared directly to the Company using the aforementioned transmission channels.

A power of attorney can also be granted, modified, or revoked electronically beginning June 22, 2023 via the password-protected Internet service at <https://www.slm-solutions.com/en/hv-2023/> (see above under IV.3.) in accordance with the procedures provided for this purpose by the end of July 12, 2023, 24:00 (CEST). The access data (access ID and password) required to use the password-protected internet services will be sent together with the admission tickets after registration in due form and time. The use of the password-protected internet services by a proxy requires that the proxy receives the corresponding access data.

The text form requirement does not apply to the authorization of intermediaries, shareholder associations, voting rights advisors, or other persons or institutions of equal status pursuant to Section 135 (8) AktG. However, in these cases, the regulations in Section 135 AktG and possibly

other special features must be observed, which are specified by the respective authorized persons and can be requested from them.

### **Proxy voting by the Company's voting representatives who are bound by instructions**

As a service, the Company offers shareholders (or their proxies respectively) the opportunity to authorize voting representatives appointed by the Company prior to the Annual General Meeting to exercise their voting rights. Timely registration and timely proof of shareholding, as described above under IV.2. are also required for shareholders who wish to grant a power of attorney to the voting representatives appointed by the Company.

Powers of attorney and instructions to the Company's voting representatives may be granted, modified, or revoked by the end of July 12, 2023 (24:00 CEST) by mail or e-mail to the above address or e-mail address in this Section IV.4. or beginning June 22, 2023 via the password-protected Internet service at <https://www.slm-solutions.com/en/hv-2023/> (see above under IV.3.) in accordance with the procedure provided for this purpose until the end of July 12, 2023 (24:00 CEST).

The shareholders will receive a form for granting power of attorney and issuing instructions to the Company's voting representatives together with the admission ticket to the Annual General Meeting, which will also be made available for download on the Company's website at <https://www.slm-solutions.com/en/hv-2023/>.

If the voting representatives appointed by the Company are authorized, they must be given instructions on how to exercise the voting right. The voting representatives are obliged to act in accordance with the instructions; even if a power of attorney has been granted, they are only authorized to exercise voting rights according to the if there are explicit instructions on each individual resolution proposal. The voting representatives of the Company do not accept any power of attorney to file objections against resolutions or to ask questions or to file motions. If an individual vote is held on an agenda item without this having been communicated in advance of the Annual General Meeting, an instruction on this agenda item as a whole shall also be deemed to be a corresponding instruction for each item of the individual vote.

In addition, we offer shareholders, shareholder representatives, or their proxies who have registered in due form and time and who are present at the Annual General Meeting the option of authorizing the Company's voting representatives to exercise their voting rights in accordance with their instructions during the Annual General Meeting.

### **Voting by electronic absentee voting**

Shareholders (or their proxies respectively) can also exercise their voting rights by electronic absentee voting via the password-protected internet service. In this case, too, proper registration and proper proof of shareholding, as described above under IV.2. is required. Beginning June 22, 2023, absentee votes can be cast, changed, or revoked via the password-protected internet service (see IV.3. above) in accordance with the procedures provided for this purpose until the end of July 12, 2023 (24:00 CEST).

## **5. Rights of the shareholders pursuant to Sections 122 (2), 126 (1), 127, 131 (1) AktG**

### **a) *Motions for the amendment of the agenda pursuant to Section 122 (2) AktG***

Shareholders, whose shares together reach a minimum of one-twentieth of the share capital or the proportional amount of EUR 500,000.00 (this equates to 500,000 no-par-value shares), may demand that items are added to the agenda and announced (Section 122 (2) AktG). Each new item must include a substantiation or resolution proposal. The request must be addressed in writing to the Management Board and must be submitted to the Company at least 30 days before the Annual General Meeting (not counting the day of receipt), i.e. by no later than **June 12, 2023, 24:00 (CEST)**, at the following address:

SLM Solutions Group AG  
Der Vorstand  
SLM Solutions Group AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 München  
Deutschland

According to Section 122 (1) sentence 3 AktG, the applicants must prove that they have held the shares for at least 90 days prior to the day of receipt of the request and that they will hold the shares until the Management Board's decision regarding the application.

Amendments to the agenda to be published will be published in the Federal Gazette without delay after receipt of the request and pursuant to Section 121(4a) AktG, will be forwarded for publication to such media as can be assumed to distribute the information throughout the European Union. The changed agenda will also be published online at <https://www.slm-solutions.com/en/hv-2023/> and in accordance with Section 125(1) sentence 3 AktG.

### **b) *Motions and nomination proposals of shareholders pursuant to Sections 126 (1), 127 AktG***

Shareholders can also submit to the Company counter-motions against a proposal by the Management Board and/or the Supervisory Board on a specific agenda item (together with any substantiation) as well as nominations for the election of auditors or members of the Supervisory Board.

Counter-motions must be submitted in writing or by e-mail to the following address or e-mail address, stating the name of the shareholder and any substantiation:

SLM Solutions Group AG  
c/o Better Orange IR & HV AG  
Haidelweg 48  
81241 Munich  
E-mail: [gegenantraege@better-orange.de](mailto:gegenantraege@better-orange.de)

Counter-motions received at this address at least 14 days before the day of the general meeting (not counting the day of receipt), i.e. by no later than **June 28, 2023, 24:00 (CEST)**, (along with any justification) and any statement by management will be made available online at <https://www.slm-solutions.com/en/hv-2023/> (Section 126 (1) AktG). Under specific circumstances, a timely counter-motion does not need to be made available. This particularly applies, if the Management Board could be made legally liable by making it accessible, if the counter-motion would lead to a resolution of the Annual General Meeting that is contrary to the law or the Articles of Association of the Company or if the substantiation contains obviously false or misleading details in significant points or if it contains insults. The substantiation of the counter-motion also does not need to be made available if it contains more than 5,000 characters.

The right of each shareholder to submit counter-motions to a specific agenda item during the Annual General Meeting without prior transmission to the Company remains unaffected. Counter-motions made available in advance must also be submitted verbally during the Annual General Meeting.

For the nomination by a shareholder for the election of Supervisory Board members or auditors, the previous paragraphs apply analogously, including the address details, with the proviso that the Management Board need not make the nomination proposal available, if the proposal does not contain the name, practiced profession, and place of residence of the nominee, as well as their membership in other legally required Supervisory Boards (Section 127 AktG).

**c) *Right to information according to § 131 (1) AktG***

At the Annual General Meeting, every shareholder can obtain information about Company matters from the Management Board, insofar as the information is required for a proper

assessment of the agenda (Section 131 (1) AktG). The obligation to provide information also extends to the Company's legal and business relationships with an affiliated company. Since the Annual General Meeting convened hereby will be presented with the consolidated financial statements and management report, among other things, the Management Board's obligation to provide information also extends to the situation of the Group and the companies included in the consolidated financial statements. Under certain circumstances, the Management Board may refuse to provide information. This applies in particular insofar as the provision of information is, according to prudent business judgment, likely to cause the Company or an affiliated company a not insignificant disadvantage or to the extent that the Management Board would be made legally liable by providing the information.

Section 16 (2) of the Articles of Association authorizes the chairman of the meeting to appropriately limit the shareholders' right to speak and ask questions.

Explanations of the rights of the shareholders according to Sections 122 (2), 126 (1), 127 and 131 (1) AktG are also available online at <https://www.slm-solutions.com/en/hv-2023/>.

## **6. Information pursuant to Section 124a AktG**

This convocation, the documents to be presented to the Annual General Meeting, and the additional information referred to in Section 124a AktG are available online at <https://www.slm-solutions.com/en/hv-2023/>.

## **7. Information about data protection for shareholders**

SLM Solutions Group AG, Estlandring 4, 23560 Luebeck (hereinafter the "**Company**" or "**we**") is responsible for processing your personal data for the Annual General Meeting under data protection law. We process personal data on the basis of the valid data protection laws, in order to enable the shareholders to exercise their rights at the Annual General Meeting. This data comprises name, place of residence or address, e-mail address, number of shares, class of shares, type of ownership of the shares, the number of the admission ticket, and the granting of

any voting powers of attorney. Depending on the situation, other personal data may also come into question.

Insofar as this data has not been provided by the shareholders as part of the registration for the Annual General Meeting, the custodian bank will send the personal data they hold to the Company.

The processing of the shareholders' personal data is compulsory for them to participate in the Annual General Meeting. The Company is responsible for processing this data. The legal basis is Art. 6 (1) c) of the General Data Protection Regulation in conjunction with Sections 118 et seq. AktG.

In addition to this, personal data is also processed for organizational and statistical purposes. Processing for organizational and statistical purposes is based on Art. 6 (1) sentence 1f) of the General Data Protection Regulation and serves the legitimate interests of the Company in the orderly implementation of the Annual General Meeting and the recording of its shareholder structure.

The service providers of the Company, who are mandated for the purpose of organizing the Annual General Meeting, will only receive such personal data from the Company as is necessary for performing the mandated service, and will exclusively process the data according to the instructions of the Company within the scope of a commission data processing agreement, which has been concluded in written form. Furthermore, personal data will be provided to the shareholders and shareholder representatives within the scope of the legal provisions, namely, via the list of participants.

The personal data will be stored for as long as legally necessary or over a duration for which the Company has a legitimate interest in storing it, such as in the case of judicial or extra-judicial disputes relating to the Annual General Meeting. The personal data will be deleted afterwards.

Under certain legal preconditions, the shareholders have a right to disclosure, correction, limitation, objection, and deletion regarding their personal data or its processing, as well as a right to data portability pursuant to Section III of the General Data Protection Regulation. You may assert these rights vis-à-vis the Company free of charge using the following contact details:

Mr. Philip Herold  
- Data Protection Representative of SLM Solutions Group AG -  
Hafenstraße 1a  
23560 Lübeck  
Fax: +49 (0) 451 160852-99-23  
E-mail: philipp.herold@hub24.de

You also have the right to lodge a complaint with the data protection supervisory authority in accordance with Art. 77 of the General Data Protection Regulation. You can also reach our Data Protection Representative under the contact details provided above.

**Luebeck, June 2023**

**SLM Solutions Group AG**

***The Management Board***