

Remuneration system for the members of the Management board (Agenda Item 7)

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"> - Provision of a company car for private use, - Accident insurance, - Reimbursement of relocation costs, accommodation costs for a limited time period or tax consultancy costs, where applicable. 	
Variable remuneration components		
Short-term variable remuneration	Plan type:	Target bonus
	Performance criteria:	<ul style="list-style-type: none"> - 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:	<ul style="list-style-type: none"> - 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.