

# REMUNERATION REPORT 2023

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## I. Introduction

The current remuneration report provides an overview of the remuneration systems that apply to the members of the Management Board and Supervisory Board of Kontron AG. It provides information on the remuneration paid and granted to the members of the Management Board and Supervisory Board in 2023. This report complies with the statutory requirements pursuant to Section 78c and Section 98a of the German Stock Corporation Act (AktG). During the Annual General Meeting on May 6, 2024, the report will be submitted to the shareholders for a non-binding, advisory vote.

### Overview of the economic situation

The success of the Kontron Group's strategic realignment to focus on the IoT sector was clearly evident in financial year 2023. Despite subdued economic growth, Kontron was able to increase revenue again in financial year 2023 – at EUR 1,225.9 million, revenue was above the forecast of around EUR 1,200 million. Compared to the previous year's revenue of EUR 1,063.7 million (in each case for continuing operations, PY adjusted), this represents growth of over 15%.

In addition to the revenue growth from company acquisitions, organic growth of 9.5% was also achieved. Following a two-time increase in the guidance for the annual target, the forecast for the net result in financial year 2023 was EUR 72 million. With a net result of EUR 77.8 million, this target was also clearly met. The net result in the previous year was influenced by the "Focus" transaction and the consequent sales proceeds and amounted to EUR 232.5 million. The resulting net result per share was EUR 3.65, whereas in financial year 2023, the net result was EUR 1.23 per share.

## II. Remuneration of the Executive Board

The current remuneration system for the Executive Board is based on the remuneration policy, which was adopted by a majority of 51.3% at the Annual General Meeting on June 8, 2021. This remuneration policy aims to gear Executive Board remuneration towards sustainable and results-oriented corporate governance. Remuneration of members of the Executive Board is structured in accordance with their responsibilities, scope of activities, individual performance, the size and financial situation of the company or the division for which they are responsible and, in particular, the success and future prospects of the company. In addition, the customary nature of the remuneration structure in the company's peer environment is taken into account. Since 2021, the improvement of the Kontron Group's environmental, social and governance (ESG) performance has also been incorporated in the medium-term incentive.

The total remuneration of the Executive Board members consists of various components, including fixed amounts paid out regardless of the company's success as well as variable short and long-term components that depend on the company's performance. The remuneration packages are reviewed annually by the Remuneration Committee for customary practice.

In financial year 2023, remuneration paid to the Executive Board totalled TEUR 1,383 (2022: TEUR 1,166). No pension commitments or payments were agreed for members of the Executive Board in the event of early termination of Executive Board activities, including following a change of control. No loans or assumption of liability in favour of members of the Executive Board were granted in the reporting year.

It is important to note that the variable remuneration components can be recovered from the company if the payment was made on the basis of manifestly incorrect data ("clawback"). This underlines the transparency and accountability of Kontron AG's remuneration policy.

## Fixed remuneration component

The non-performance-related fixed remuneration component is intended to create an incentive for the Executive Board members to pursue the Company's objectives to the best of their ability and to act in the interests of the shareholders, the employees and also in the public interest. When determining the fixed remuneration components, the tasks as well as the professional experience of the individual Executive Board members are taken into account. This results in differentiated basic salaries per Executive Board member based on the strategic and operational areas of responsibility. The non-performance-related Executive Board remuneration consists of the fixed gross salary paid monthly and fixed benefits in kind, which cover the use of company cars, car allowance lump sums, meal lump sums and garage parking spaces provided. The fixed salary covers all overtime as well as the assumption of organ functions in Group companies. In financial year 2023, the fixed remuneration of all members of the Executive Board amounted to a total of TEUR 686 (2022: TEUR 926).

## Short-term variable remuneration component

Different rules are used to calculate the performance-based one-year variable remuneration of the members of the Executive Board. For example, the CEO does not receive any short-term variable compensation components. The variable remuneration of both COOs is closely linked to the company's financial performance, with operating income and cash flow being used as key figures. In order to achieve pre-agreed performance indicators, extraordinary effects such as acquisitions are measured separately. The key figures are calculated on the basis of the audited consolidated financial statements of the Kontron Group. The CFO's short-term variable remuneration is based on specific targets, in particular ESG (environmental, social and governance) and M&A and integration targets. Extraordinary effects such as acquisitions are taken into account separately here, using the audited consolidated financial statements of the Kontron Group as a basis. Regardless of position, it should be noted that the variable performance bonus for all Executive Board members is limited to a maximum of 75% of their fixed annual salary.

## Mid-term variable remuneration component

The medium-term incentive is aligned with the current medium-term planning of the Kontron Group (Agenda 2023) and is based on two key performance indicators (KPIs).

1. with a weighting of 50%: the communicated EBITDA of the Kontron Group (in accordance with IFRS) for the 2023 financial year should amount to at least EUR 220 million
2. with a weighting of 50%: the ESG rating (MSCI: "B" at the time of the target agreement) of the Kontron Group should be brought closer to the values of the peer group and should improve to at least level "BBB".

## Long-term variable remuneration component

By granting subscription rights from stock option programs (variable non-cash remuneration), an additional long-term, performance-related, share-based remuneration component was created, which promotes the interest of the beneficiaries in a sustainable corporate and earnings development of the company in the future. The stock options granted under the various stock option programs can only be exercised after multi-year holding periods defined in the programs and when certain thresholds have been reached.

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## Stock option programs and stock warrant program

Stock option programs represent the long-term remuneration component. The aim of the stock option programs is to link the level of variable remuneration directly to the long-term development of operating results and the company's share price. The stock option programs are designed to ensure that the management of the Kontron Group is more closely aligned with the objectives of the company's shareholders of the company and also participate in the success achieved.

The Company has adopted stock option programs for employees, officers and members of the Executive Board of the company or any of its affiliated companies.

### Stock option program 2024/2025

In December 2022, a total of 1,500,000 stock options were granted to the members of the Executive Board of Kontron AG and senior employees of Kontron AG as well as the executives of selected Group companies on the basis of the Stock Option Program 2024/2025 (Tranche 2024 and Tranche 2025).

The term of the stock options starts on the issue date (November 14, 2022) and is 5 (five) years. It ends on November 13, 2027, unless the term is extended in accordance with the terms of the 2024/2025 stock option program. The stock options can be exercised after a waiting period of 36 months after the issue date and the individual exercise requirements have been met (employment in the Kontron Group until at least December 31, 2024). In addition, a threshold of 25% (twenty-five percent) of the XETRA stock price of the company's share on the Frankfurt Stock Exchange (or, if a different location is chosen for the primary listing of Kontron shares, at this listing location), which must be above the exercise threshold price, must be reached in order for the stock options to be exercised. If the XETRA stock price (or, if a different location is selected for the primary listing of Kontron shares, the price at this listing location) does not reach the exercise threshold in the respective exercise period, it is not possible for allottees to exercise the stock options during this exercise window.

The exercise periods defined in the Stock Option Program 2024/2025 (Tranche 2024 and Tranche 2025) are 30 stock exchange trading days each, beginning on the second stock exchange trading day after the publication of quarterly report for the first, second and third quarter of the financial year and after the day of the annual press conference. Stock options not exercised expire at the end of the term. The stock options are only transferable between option holders, not to third parties. The Stock Option Program 2024/2025 (Tranche 2024 and Tranche 2025) provides for the Company's sole right to deliver shares to the allottees against payment of the exercise price or to pay their entitlement in cash. The exercise price is EUR 15.30 unless it is adjusted in accordance with the terms of the Stock Option Program 2024/2025.

The fair value of the stock options granted was determined at the grant date using the Black/Scholes option pricing model. No stock options were issued to members of the Management Board as long-term, performance-related remuneration in the 2023 financial year.

Key parameters at the time the stock options under this program were granted:

	STOCK OPTION PROGRAM 2024/2025 (TRANCHE 2024)	STOCK OPTION PROGRAM 2024/2025 (TRANCHE 2025)
Number of stock options	750,000	750,000
Date of issue	November 14, 2022	November 14, 2022
Duration	5 years	5 years
Exercise price per share option	Closing price on the issue date	Closing price on the issue date
Share price on the issue date	EUR 15.30	EUR 15.30
Expected volatility	33.3%	33.3%
Interest rate	2.47%	2.47%
Remaining life of options	3.87 years	3.87 years
Option value	3 Euro 42 Cent	3 Euro 42 Cent

### Share option program 2018 (tranche 2019)

In December 2018, a total of 1,000,000 stock options were granted to the members of the Executive Board of Kontron AG and senior employees of Kontron AG as well as to executives of selected Group companies on the basis of the 2018/2019 stock option program, with 500,000 stock options planned for a 2018 tranche and a further 500,000 stock options for a 2019 tranche.

The term of the stock option program began on the issue date and ends after 60 months. The stock options can be exercised after a waiting period. The waiting period begins on the date of issue and ends after 36 months. At the time the stock option is exercised, the stock market price must be at least 25% above the exercise price.

Stock options not exercised expire at the end of the term. The stock options are only transferable between option holders, not to third parties. The two stock option programs grant the company the exclusive right to deliver shares to the allottees against payment of the exercise price or to pay their entitlement in cash.

By resolution of the Supervisory Board dated January 30, 2023, the term of the 2018/2019 stock option program for beneficiaries still employed by the Group as of February 2023 was extended by one year until December 21, 2024. This concerns a total of up to 726,500 stock options.

The fair value of the stock options granted was determined at the grant date using the Black/Scholes option pricing model.

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The following table shows the key parameters at the time the stock option programs were granted:

	STOCK OPTION PROGRAM 2018 (TRANCHE 2018)	STOCK OPTION PROGRAM 2018 (TRANCHE 2019)
Number of stock options	500,000	500,000
Date of issue	December 21, 2018	December 21, 2018
Duration	5 years	5 years
Exercise price per share option	Closing price on the issue date	Closing price on the issue date
Share price on the issue date	EUR 15.71	EUR 15.71
Expected volatility	36.8%	36.8%
Interest rate	2.59%	2.59%
Remaining life of options	0.97 years	0.97 years
Option value	4 Euro 14 Cent	4 Euro 14 Cent

## Stock warrant program 2020

On July 13, 2020, stock warrants were issued on the basis of a prospectus approved by the Austrian Financial Market Authority. A total of 2,000,000 warrants, comprising 1,500,000 allotted and 500,000 publicly offered warrants, were issued. As of July 30, 2020, the warrants were admitted to official trading on the Vienna Stock Exchange and delivered to the respective subscribers and allottees. The first exercise of the conversion or subscription right is possible at the earliest 36 months after the issue of the warrant and only if the price of the Kontron AG share exceeds EUR 32.86.

## Further information on stock option programs

The table below provides an overview of all granted stock options and stock warrants granted by Kontron AG under the following programs:

NUMBER OF STOCK OPTIONS OR WARRANTS	STOCK OPTION PROGRAM 2018 (TRANCHE 2018)	STOCK OPTION PROGRAM 2018 (TRANCHE 2019)	STOCK OPTION PROGRAM 2024/2025 (TRANCHE 2024)	STOCK OPTION PROGRAM 2024/2025 (TRANCHE 2025)	STOCK WARRANTS PROGRAM 2020
Hannes Niederhauser	70,000	70,000	100,000	100,000	600,000
Clemens Billek	0	0	100,000	100,000	0
Peter Sturz	70,000	70,000	0	0	210,000
Michael Riegert	15,000	0	100,000	100,000	150,000
Gesamt	155,000	140,000	300,000	300,000	960,000

370,700 (PY: 0) options relating to the 2018/2019 stock option program were exercised in financial year 2023. 230,000 options were serviced through a capital increase carried out in 2023, while treasury shares were used for 137,700 and a cash settlement for 3,000. As of December 31, 2023 outstanding rights for the 2018/2019 stock option program therefore amount to total 605,000 (PY: 1,000,000). Regarding the 2018/2019 stock option program, 24,300 units (PY: 0) lapsed during the financial year due to expiry of the term (19,300 units) or due to the departure of the employee (5,000 units).

With regard to the 2024/2025 stock option program, a total of 280,000 units have not yet been allotted (PY: 320,000 units).

In financial year 2023, expenditure for the stock option programs recognised in personnel expenses amounts to TEUR 1,702 (PY: income of TEUR 774).

## Overview of grants awarded and inflows paid out in financial year 2023

The tables below show the grants awarded and the inflows paid out in the financial year 2023. For the grants awarded, in addition to the actual amount awarded, the possible minimum amount and the maximum amount to be achieved are also indicated. The subscription rights granted for stock options from stock option programs are calculated according to fair value (option price) at the time of granting. The fixed remuneration components and the inflow from the one-year variable remuneration are reported for the inflow in the financial year. If stock options from stock options granted in previous years were exercised in the financial year, the relevant inflow amount for tax purposes is stated.

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## GRANTS MADE IN THE FINANCIAL YEAR IN TEUR

**HANNES NIEDERHAUSER**  
CEO  
21.05.2012

**CLEMENS BILLEK**  
CFO (SINCE 01.10.2022) & CCO (SINCE  
02.05.2022) 02.05.2022

	2023	2023 (MIN)	2023 (MAX)	2022	2023	2023 (MIN)	2023 (MAX)	2022
<b>REMUNERATION INDEPENDENT OF PERFORMANCE</b>								
Gross salary	8	8	8	7	200	200	200	100
Fixed remuneration in kind <sup>1)</sup>	2	12	12	12	10	12	12	4
Total fixed remuneration	10	19	19	19	210	212	212	104
<b>PERFORMANCE-RELATED REMUNERATION</b>								
One-year variable remuneration <sup>2)</sup>					100		100	50
Mid-term variable remuneration					19		38	
Multi-year variable remuneration								
Stock option programs - with long-term share-based incentive <sup>3)</sup>								
SOP 2018 (Tranche 2018)								
SOP 2018 (Tranche 2019)				232				
Warrants 2020 <sup>4)</sup>								
SOP 2024/25 (Tranche 2024)				342				342
SOP 2024/25 (Tranche 2025)				342				342
Total variable remuneration				916	119		138	734
<b>Total</b>	<b>10</b>	<b>19</b>	<b>19</b>	<b>934</b>	<b>329</b>	<b>212</b>	<b>349</b>	<b>838</b>

## GRANTS MADE IN THE FINANCIAL YEAR IN TEUR

**PETER STURZ**  
COO, SERVICES EE (UNTIL 31.12.2023)  
06.11.2012

**MICHAEL RIEGERT**  
COO, IOT EUROPE  
01.01.2022

	2023	2023 (MIN)	2023 (MAX)	2022	2023	2023 (MIN)	2023 (MAX)	2022
<b>REMUNERATION INDEPENDENT OF PERFORMANCE</b>								
Gross salary	280	280	280	270	161	161	161	140
Fixed remuneration in kind <sup>1)</sup>	12	12	12	12	10	10	10	24
Total fixed remuneration	292	292	292	282	171	171	171	164
<b>PERFORMANCE-RELATED REMUNERATION</b>								
One-year variable remuneration <sup>2)</sup>	93		364	552	75		75	40
Mid-term variable remuneration	50		100		34		67	
Multi-year variable remuneration								
Stock option programs - with long-term share-based incentive <sup>3)</sup>								
SOP 2018 (Tranche 2018)								
SOP 2018 (Tranche 2019)								
Warrants 2020 <sup>4)</sup>								
SOP 2024/25 (Tranche 2024)								342
SOP 2024/25 (Tranche 2025)								342
Total variable remuneration	143		464	552	109		142	724
<b>Total</b>	<b>435</b>	<b>292</b>	<b>756</b>	<b>833</b>	<b>279</b>	<b>171</b>	<b>313</b>	<b>888</b>

1) Fixed remuneration in kind included: Car allowance, if applicable, garage spaces and meal allowances

2) Bonus based on individually agreed performance indicators

3) Allowance from SOP = granted SOP number of units x option price

4) The allocated warrants 2020 represent the long-term variable remuneration of the Executive Board for three financial years. There is a waiting period of three years and an exercise threshold in relation to the development of the share price. In addition, further warrants were acquired for consideration by the Executive Board under the 2020 warrant program on the basis of the public prospectus (for the number of 2020 warrants held as at December 31, 2023, see "Corporate Governance Report").

**INFLOW IN THE FINANCIAL YEAR  
IN TEUR**
**HANNES NIEDERHAUSER**  
CEO  
21.05.2012

**CLEMENS BILLEK**  
CFO (SINCE 01.10.2022) & CCO (SINCE 02.05.2022)  
02.05.2022

	2023	2022	2023	2022
<b>REMUNERATION INDEPENDENT OF PERFORMANCE</b>				
Gross salary <sup>1)</sup>	8	7	200	100
Fixed remuneration in kind <sup>2)</sup>	2	12	10	4
Total fixed remuneration	10	19	210	104
<b>PERFORMANCE-RELATED REMUNERATION</b>				
One-year variable remuneration <sup>3)</sup>			100	25
Mid-term variable remuneration				
Multi-year variable remuneration				
Stock option programs - with long-term share-based incentive <sup>4)</sup>				
SOP 2018 (Tranche 2018)				
SOP 2018 (Tranche 2019)				
Warrants 2020 <sup>5)</sup>				
SOP 2024/25 (Tranche 2024)				
SOP 2024/25 (Tranche 2025)				
Total variable remuneration			100	25
<b>Total</b>	<b>10</b>	<b>19</b>	<b>310</b>	<b>129</b>

**INFLOW IN THE FINANCIAL YEAR  
IN TEUR**
**PETER STURZ**  
COO, SERVICES EE (UNTIL 31.12.2023)  
06.11.2012

**MICHAEL RIEGERT**  
COO, IOT EUROPE  
01.01.2022

	2023	2022	2023	2022
<b>REMUNERATION INDEPENDENT OF PERFORMANCE</b>				
Gross salary <sup>1)</sup>	280	270	151	140
Fixed remuneration in kind <sup>2)</sup>	12	12	24	24
Total fixed remuneration	292	282	174	164
<b>PERFORMANCE-RELATED REMUNERATION</b>				
One-year variable remuneration <sup>3)</sup>	540	66	56	
Mid-term variable remuneration				
Multi-year variable remuneration				
Stock option programs - with long-term share-based incentive <sup>4)</sup>				
SOP 2018 (Tranche 2018)				
SOP 2018 (Tranche 2019)				
Warrants 2020 <sup>5)</sup>				
SOP 2024/25 (Tranche 2024)				
SOP 2024/25 (Tranche 2025)				
Total variable remuneration	540	66	56	
<b>Total</b>	<b>832</b>	<b>347</b>	<b>230</b>	<b>164</b>

1) Gross salary granted

2) Fixed remuneration in kind included: Car allowance, if applicable, garage spaces and meal allowances

3) Bonus based on individually agreed performance indicators including transition bonus for the "Focus" project, amount depends on IT Services sales revenue

4) Allowance from SOP = granted SOP number of units x option price

5) The allocated warrants 2020 represent the long-term variable remuneration of the Executive Board for three financial years. There is a waiting period of three years and an exercise threshold in relation to the development of the share price. In addition, further warrants were acquired for consideration by the Executive Board under the 2020 warrant program on the basis of the public prospectus (for the number of 2020 warrants held as at December 31, 2023, see "Corporate Governance Report").



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## GRANTS MADE IN THE FINANCIAL YEAR IN TEUR

TOTAL<sup>\*)</sup>

	2023	2023 (MIN)	2023 (MAX)	2022
<b>REMUNERATION INDEPENDENT OF PERFORMANCE</b>				
Gross salary	649	649	649	858
Fixed remuneration in kind <sup>1)</sup>	34	45	45	68
Total fixed remuneration	683	693	693	926
<b>PERFORMANCE-RELATED REMUNERATION</b>				
One-year variable remuneration <sup>2)</sup>	268		539	1,271
Mid-term variable remuneration	102		205	
Multi-year variable remuneration				
Stock option programs - with long-term share-based incentive <sup>3)</sup>				
SOP 2018 (Tranche 2018)				
SOP 2018 (Tranche 2019)				334
Warrants 2020 <sup>4)</sup>				
SOP 2024/25 (Tranche 2024)				1,026
SOP 2024/25 (Tranche 2025)				1,026
Total variable remuneration	371		744	3,657
<b>Total</b>	<b>1,053</b>	<b>693</b>	<b>1,437</b>	<b>4,583</b>

\*) The difference between the total number and the sum of the individual amounts is attributable to former members of the Executive Board.

1) Fixed remuneration in kind included: Car allowance, if applicable, garage spaces and meal allowances

2) Bonus based on individually agreed performance indicators

3) Allowance from SOP = granted SOP number of units x option price

4) The allocated warrants 2020 represent the long-term variable remuneration of the Executive Board for three financial years. There is a waiting period of three years and an exercise threshold in relation to the development of the share price. In addition, further warrants were acquired for consideration by the Executive Board under the 2020 warrant program on the basis of the public prospectus (for the number of 2020 warrants held as at December 31, 2023, see "Corporate Governance Report").

**INFLOW IN THE FINANCIAL YEAR  
IN TEUR**
**TOTAL<sup>1)</sup>**

	2023	2022
<b>REMUNERATION INDEPENDENT OF PERFORMANCE</b>		
Gross salary <sup>1)</sup>	638	858
Fixed remuneration in kind <sup>2)</sup>	48	68
Total fixed remuneration	686	926
<b>PERFORMANCE-RELATED REMUNERATION</b>		
One-year variable remuneration <sup>3)</sup>	696	240
Mid-term variable remuneration		
Multi-year variable remuneration		
Stock option programs - with long-term share-based incentive <sup>4)</sup>		
SOP 2018 (Tranche 2018)		
SOP 2018 (Tranche 2019)		
Warrants 2020 <sup>5)</sup>		
SOP 2024/25 (Tranche 2024)		
SOP 2024/25 (Tranche 2025)		
Total variable remuneration	696	240
<b>Total</b>	<b>1,383</b>	<b>1,166</b>

\*) The difference between the total number and the sum of the individual amounts is attributable to former members of the Executive Board.

1) Gross salary granted

2) Fixed remuneration in kind included: Car allowance, if applicable, garage spaces and meal allowances

3) Bonus based on individually agreed performance indicators including transition bonus for the "Focus" project, amount depends on IT Services sales revenue

4) Variable remuneration in kind: exercised stock options (number of shares x (share price at disposal date - option price granted)) + granted stock options and warrants (number of shares x option price)

5) The allocated warrants 2020 represent the long-term variable remuneration of the Executive Board for three financial years. There is a waiting period of three years and an exercise threshold in relation to the development of the share price. In addition, further warrants were acquired for consideration by the Executive Board under the 2020 warrant program on the basis of the public prospectus (for the number of 2020 warrants held as at December 31, 2023, see "Corporate Governance Report").

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The total remuneration granted to the Executive Board in 2023 was TEUR 1,053 (compared with TEUR 4,583 in 2022 and TEUR 1,353 in 2021). The reason for the increased total remuneration in 2022 was the transaction premium for the "Focus" project.

The following table compares the remuneration of the Management Board with the company's net income and the average remuneration of the company's other employees on a full-time equivalent basis:

## Wirtschaftliche Kennzahlen

IN TEUR	2018	2019	2020	2021	2022	2023
Total remuneration to the Executive Board <sup>*)</sup>	6,823	1,196	4,239	1,354	4,583	1,053
Change in %	-	-82%	254%	-68%	238%	-77%
Net profit Kontron Group	44,983	49,109	55,609	48,260	232,456	77,710
Change in %		9%	13%	-13%	382%	-133%
Average salary/FTE (excl. Executive Board)	37.7	42.3	40.9	40.1	45.3	47.9
Change in %		12%	-3%	-2%	13%	6%
Ratio of the CEO's total remuneration to the average remuneration per FTE (excl. Executive Board)	35.4	0.2	30.4	0.5	20.6	0.2

<sup>\*)</sup> grants made

o. A. – ohne Aussagekraft, für Änderungen >300 % sowie für sonstige nicht aussagekräftige Änderungen.

## Other information and explanations

The 2022 remuneration report was approved at the Annual General Meeting on May 22, 2023 with a majority of 71.47%. No variable remuneration components were reclaimed in the 2023 reporting year.

Kontron promotes and maintains an open and regular dialog with all of our stakeholders. Among other things, 403 investor meetings (242 face-to-face meetings, 161 participants in earnings calls) were held in 2023 as part of ten roadshows, eleven conferences and various on-site visits and video and telephone conferences. Constructive feedback on the remuneration report and policy is highly appreciated and supported in the continuous improvement of the remuneration system. This has increased transparency with regard to the remuneration policy and short-term remuneration in particular.

In addition to direct contact, an anonymous stakeholder survey was conducted as part of the double materiality analysis, in which 813 internal and external stakeholders took part. The results are very valuable for the ongoing development of the ESG strategy.

This report will be presented for a non-binding, consultative vote by shareholders at the Annual General Meeting on May 6, 2024..

## II. Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board in the financial year 2023 consisted of a position-dependent, annual fixed remuneration and attendance fees for participation in Supervisory Board and committee meetings.

The remuneration of the Supervisory Board shall promote the business strategy and long-term development of the company by taking into account the responsibility and scope of activities of the individual Supervisory Board members as well as the economic situation of the company. In order to ensure unbiased supervision of the management by the Supervisory Board, no variable remuneration, bonuses or share-based payments are granted to the members of the Supervisory Board.

Supervisory Board remuneration generally consists of an annual fixed fee and an attendance fee for Supervisory Board and committee meetings. In view of the greater responsibility and the wider scope of activities, the Chair of the Supervisory Board, the Deputy Chair and the Chair of the Audit Committee are granted a higher lump-sum remuneration than the ordinary members of the Supervisory Board. The fixed annual remuneration amounts to TEUR 85 for the Chair of the Supervisory Board, TEUR 70 for his deputy and TEUR 50 for each additional member. The Chair of the Audit Committee is paid TEUR 35 for his work, and the Deputy Chair of the Audit Committee is paid TEUR 20. The fixed annual remuneration was increased in 2023 compared to 2022.

In addition, each member is paid TEUR 2.5 for attending Supervisory Board or committee meetings in person or via video/audio conferencing system. If several sessions are held on one day, the session fee shall only be granted once for that day. The fee was increased in 2023 compared to the previous year.

If members of the supervisory board take on a special activity in the company, they may be granted special remuneration for this by resolution of the Annual General Meeting. This was not the case in the financial year 2023.

COMPONENTS OF SUPERVISORY BOARD REMUNERATION IN TEUR	2023	2022
Chair of the Supervisory Board	85	50
Remuneration of the Deputy Chair	70	40
Remuneration members	50	30
Audit Committee Chair	35	20
Audit Committee Deputy Chair	20	10
Meeting fees for personal attendance or qualified telephone/video participation in Supervisory Board and committee meetings <sup>1)</sup>	3	2
Meeting fee per committee meeting (attendance or qualified telephone/video participation) <sup>12)</sup>	3	2

1) Meeting fees for personal attendance or qualified telephone/video participation in Supervisory Board and committee meetings

2) Meeting fees per committee meeting are waived if a Supervisory Board meeting takes place on the same day

The remuneration is paid annually in arrears based on the approval of the Annual General Meeting. In financial year 2023, the remuneration of the members of the Supervisory Board totalled TEUR 463 (PY: TEUR 299), with the difference compared to the previous year resulting from the adjustment of fixed remuneration.

# REMUNERATION REPORT 2023

The remuneration of the members of the Supervisory Board in financial years 2023 and 2022, broken down by fixed remuneration component and meeting fees, is as follows:

REMUNERATION OF THE SUPERVISORY BOARD ACCORDING TO MEMBERS IN TEUR	FIXED REMUNERATION		MEETING FEES <sup>1)</sup>		TOTAL REMUNERATION	
	2023	2022	2023	2022	2023	2022
Mag. Claudia Badstöber (Chair)	105	60	18	21	123	81
Mag. Bernhard Chwatal (Deputy Chair)	105	60	18	21	123	81
Hui-Feng Wu (Ed Wu) <sup>2)</sup> (2. Deputy Chair)	0	15	0	0	0	15
Fu-Chuan Chu (Steve Chu)	70	30	15	15	85	45
Joseph John Fijak <sup>3)</sup>	50	15	15	11	65	26
You-Mei Wu (Yolanda Wu)	50	30	18	21	68	51
<b>Total</b>	<b>380</b>	<b>210</b>	<b>83</b>	<b>89</b>	<b>463</b>	<b>299</b>

1) Meeting fees based on the number of personal or video participations in Supervisory Board and committee meetings.

2) Hui-Feng Wu (Ed Wu) left the Supervisory Board with effect from May 6, 2022, the fixed remuneration for 2022 was calculated on a pro rata basis

3) Joseph John Fijak joined the Supervisory Board with effect from May 6, 2022, the fixed remuneration for 2022 was calculated on a pro rata basis

In financial year 2023, the members of the Supervisory Board did not receive any other remuneration or other benefits for services rendered personally, such as consulting and mediation services, apart from those mentioned above.

No loans or assumption of liability in favour of members of the Supervisory Board were granted in the reporting year.

## D&O insurance

The company has taken out directors' and officers' liability insurance (D&O insurance) in favour of the Executive Board and the Supervisory Board as well as the management of the consolidated subsidiaries. No deductible has been agreed for the D&O insurance, which covers the legal liability arising from Executive Board, Supervisory Board and management activities. .