

## Remuneration system for the members of the Management Board of Encavis AG

### a) Principles of the remuneration system

The remuneration system for the members of the Management Board makes an important contribution to the advancement of the business strategy and the long-term, sustainable and value-creating development of Encavis AG (“Encavis” or the “Company”).

Management Board remuneration is primarily based on the size, complexity and financial position of the Company as well as the performance of the Management Board as a whole. The remuneration structure is geared towards contributing to the long-term success of the Company and achieving strategically important corporate targets. The Company’s long-term strategic growth targets as communicated in Fast Forward 2025 represent key parameters in the short- and long-term variable remuneration.

In structuring the remuneration system and specifying Management Board remuneration, the Supervisory Board worked on the basis of the following principles:

#### Principles of the remuneration system

Promotion of the Corporate Strategy	The remuneration system shall promote the implementation of the business strategy through appropriate incentivisation.
Pay for Performance	Using adequate performance criteria within the framework of performance-related variable remuneration, which makes up a significant part of the total remuneration, the remuneration system ensures that the performance of the Executive Board is appropriately rewarded while target failures are equally taken into account (malus).
Long-term orientation and sustainability	Within the framework of variable remuneration, a significant part of the remuneration is determined on the basis of a multi-year performance measurement. The focus on sustainability is further strengthened by the anchoring of performance criteria regarding sustainability goals in the area of environment, social & corporate governance (ESG criteria) in the short-term variable remuneration.
Adequacy of the remuneration	The remuneration of the Executive Board members is in line with prevailing market terms and competitive. It takes into account the size, complexity and economic situation of the company. The appropriateness of the Executive Board's remuneration is ensured by regular comparisons with relevant peer groups. In addition, the remuneration of the members of the Executive Board is commensurate with the remuneration of senior executives and employees.
Consistency of the systems	The remuneration system is compatible with the remuneration systems of senior executives and employees of Encavis.
Regulatory conformity	The remuneration system complies with the requirements of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code.

The remuneration system has been defined with the aim of being simple, clear and comprehensible. The remuneration system complies with the requirements of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code, unless any deviation from said recommendations have been declared. The current Management Board contracts already comply with the remuneration system that is presented for approval.

**b) Procedures to define, implement and review the remuneration system**

The Supervisory Board is responsible for defining the remuneration system and the amount of remuneration received by the Management Board, including maximum remuneration. The Supervisory Board is assisted by its Personnel Committee. The Personnel Committee draws up recommendations regarding the remuneration system, which the Supervisory Board discusses in detail and resolves as the overall body. The Supervisory Board can draw on the assistance of external consultants if necessary. When commissioning external remuneration experts, it is to be ensured that said experts are sufficiently independent and, in particular, that confirmation of said experts' independence is requested. Provisions applying to conflicts of interest are also taken into account in the procedures to define, implement and review the remuneration system.

The Supervisory Board presents the remuneration system it resolves to the Annual General Meeting for approval. The Supervisory Board reviews the suitability of the remuneration system and the amount of remuneration received by the Management Board on a regular basis.

The members of the Management Board are obliged by the rules of procedure to disclose their conflicts of interest.

The remuneration system will be presented to the Annual General Meeting for re-approval in the event of any material changes to the remuneration system, and in any case every four years.

If the Annual General Meeting does not approve the presented remuneration system, the Supervisory Board will present a reviewed and revised remuneration system at the latest by the next Annual General Meeting.

**c) Temporary deviations from the remuneration system**

In a limited number of exceptional cases (particularly in the case of unforeseeable developments such as a major financial crisis, wars or pandemics), the Supervisory Board may – acting on the recommendation of the Personnel Committee – temporarily deviate from components of the remuneration system (procedures and terms of the remuneration structure and remuneration amount as well as with regard to individual remuneration components), if said deviations are in the interest of the long-term prosperity of the Company.

This remuneration system applies to all members of the Management Board with retroactive effect as at 1 January 2021 as well as to all newly agreed or extended contracts with members of the Management Board and in the case of reappointment.

#### d) The remuneration system at a glance

The remuneration system of Encavis AG is primarily defined as follows:

##### Structure of Management Board remuneration

Success-independent remuneration	Fixed annual basic salary	<ul style="list-style-type: none"> <li>The basic remuneration comprises a fixed remuneration component paid out in 12 monthly instalments at the end of the month.</li> </ul>
	Fringe benefits	<ul style="list-style-type: none"> <li>Common remuneration in kind (Company car, insurance premiums, communication services etc.)</li> </ul>
Success-dependent remuneration	Short-term variable remuneration relating to the financial year (annual bonus)	<ul style="list-style-type: none"> <li>Term: one year</li> <li>Performance indicators: financial and non-financial targets</li> <li>Payout: inbetween 0 to 200% of target value</li> </ul>
	Long-term variable remuneration (Virtual Stock Option Programme (SOP))	<ul style="list-style-type: none"> <li>Vesting period: three years</li> <li>Exercise period: two years</li> <li>Performance indicators: financial targets</li> <li>Granting of virtual stock options (Share Appreciation Rights (SAR))</li> <li>Cap: threefold of minimum target value</li> </ul>

#### e) Definition of the total remuneration target by the Supervisory Board

The Supervisory Board defines the total remuneration target for each member of the Management Board on the basis of the remuneration system for the upcoming financial year. The total remuneration target consists of the sum of fixed remuneration and variable remuneration. The specific total remuneration target is in suitable proportion to the tasks and services of the Management Board member and to the financial situation and success of Encavis. In addition, the Supervisory Board ensures that remuneration is appropriate and in line with standard market rates. The assessment of the appropriateness of the remuneration amount takes into account Encavis' peer group (horizontal comparison) and the internal remuneration structure (vertical comparison). The Supervisory Board is aware that the external and internal comparison is to be treated with caution to prevent remuneration from automatically trending upwards.

##### aa) Horizontal comparison – external appropriateness

In order to assess appropriateness at a horizontal level, the Supervisory Board draws on companies from the SDAX and MDAX that are comparable with Encavis in terms of country, size and industry as the peer group. The positioning of Encavis within the peer group and the respective remuneration components are taken into consideration in this assessment.

##### bb) Vertical comparison – internal appropriateness

In order to assess appropriateness at a vertical level, the Supervisory Board takes into account the ratio of Management Board remuneration to the remuneration of the senior management and employees of Encavis, including the development of said remuneration over time.

**f) Remuneration components and their relative share of the total remuneration target, structure of the total remuneration target and further components of the remuneration system**

The remuneration of the Encavis Management Board consists of fixed and variable remuneration components. The fixed components comprise the annual salary and additional benefits. Variable, performance-related components consist of short-term variable remuneration (annual bonus) and a long-term, variable, share-based remuneration (virtual stock option programme – AOP).

The total remuneration target is calculated as the total of all remuneration components relevant to the total remuneration assuming target achievement of 100 % for variable remuneration components.

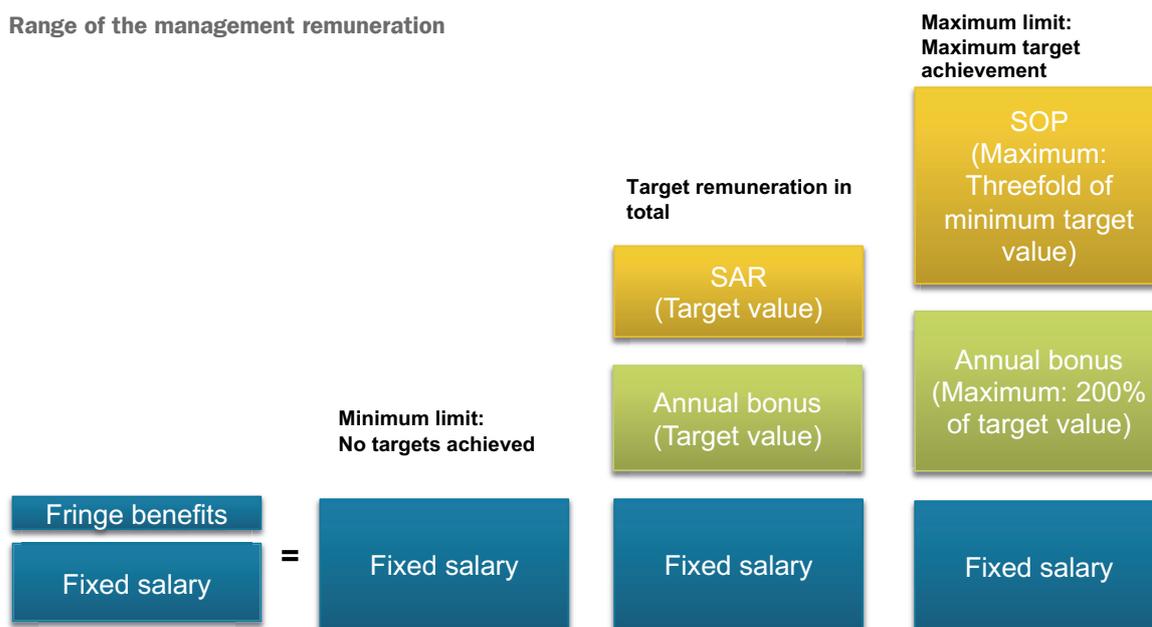
Given the annual fluctuations in additional benefits and for any new appointments, the Supervisory Board can define a total remuneration target with components within the following percentage ranges:

**Structure of the total remuneration target**

SOP (Target value)	23 -24%
Annual bonus (Target value)	24 -25%
Fixed salary	51 -53%

When comparing the components of the total remuneration target, short- and long-term variable remuneration may account for equal shares; in certain cases, the share of short-term variable remuneration may be slightly higher than the share of long-term variable remuneration. Depending on the specific target achievement, the share of long-term variable remuneration may be higher than the share of short-term variable remuneration. In future, the Supervisory Board will attempt to ensure in the medium term that long-term remuneration is greater than short-term variable remuneration.

## Range of the management remuneration



### g) Maximum remuneration limit

The Supervisory Board has defined a maximum remuneration limit in accordance with section 87a (1) sentence 2 no. 1 AktG that includes the total remuneration (total of all remuneration amounts for the financial year in question, including fixed annual salary, additional benefits and variable remuneration components) of the members of the Management Board – irrespective of whether the remuneration is paid in the financial year in question or at a later date. The maximum remuneration for one financial year has been defined as follows:

	Chair of the Management Board	Ordinary member of the Management Board
<b>Maximum remuneration pursuant to section 87a (1) sentence 2 no. 1 AktG</b>	EUR 3.2 million	EUR 3.2 million

The Supervisory Board notes that the relevant metric in terms of maximum remuneration is the total remuneration granted to a member of the Management Board in a single financial year, irrespective of the precise date of payment of individual remuneration elements (in particular short-term variable remuneration and long-term variable remuneration) and that the maximum remuneration is based on this metric.

### h) Elements of the remuneration system in detail

#### aa) Fixed remuneration components

##### (i) Fixed annual salary

The annual salary is a fixed, single-year remuneration component paid in cash in twelve equal monthly instalments.

**(ii) Additional benefits**

The maximum amount of additional benefits is defined for each member of the Management Board for the respective upcoming financial year. The Supervisory Board defines an amount for this purpose in proportion to basic remuneration. Additional benefits granted to members of the Management Board include a company car or rental car, which can also be used privately, and a mobile phone, which likewise can also be used privately. In addition, D&O insurance is in place with an excess in accordance with the legal requirements of section 93 (2) sentence 3 AktG. The members of the Management Board receive a standard market allowance for health and care insurance. No pension commitments exist.

When appointing a member of the Management Board for the first time or subsequently changing the regular place of work at the request of the Company, the Supervisory Board decides – acting on the recommendation of the Personnel Committee – whether and to what extent the following additional remuneration services are included in the individual Management Board contract:

- Compensation for the expiration of services from the previous employer: e.g. long-term variable remuneration commitments or pension commitments: The Supervisory Board can make equivalent commitments, such as in the form of the stock option programme, or agree cash payments (recruitment bonus).
- Relocation costs: If the appointment of a member of the Management Board or a change in regular place of work at the request of the Company necessitates a change in the place of residence, relocation costs will be refunded up to the maximum amount defined in each Management Board contract.

**bb) Variable remuneration components**

Variable remuneration is geared towards the short- and long-term development of the Company.

**(i) Short-term variable remuneration (annual bonus)**

The members of the Management Board receive a performance-related, variable annual bonus for each financial year. The annual bonus provides an incentive to contribute to the implementation of the business strategy during a financial year.

The annual bonus usually consists of three specific performance targets given largely equal weighting, as well as targets defined for the Management Board as a whole that tie in to financial and non-financial objectives and the strategic and operative development of the Company.

Performance targets were based on a variety of performance criteria. The Supervisory Board is responsible for determining the choice and weighting of individual performance criteria based on the recommendations of the Personnel Committee for the coming financial year. The Supervisory Board is responsible for ensuring that targets are challenging and ambitious. If members of the Management Board do not achieve their targets, variable remuneration can fall to zero. Likewise, if members of the Management Board significantly overachieve in terms of their targets, target achievement is limited to 200 % (cap).

Depending on the specific terms defined by the Supervisory Board, the following performance criteria can be utilised for the annual bonus:

## Performance goals | Performance indicators

Financial performance goals	<ul style="list-style-type: none"> <li>• Operating targets within one year, esp. earnings and financial power (acc. to the EPS undiluted)</li> <li>• Securing of liquidity for investments</li> <li>• Optimisation / refinancing of existing SPV project financing</li> </ul>
Strategic and operating performance goals	<ul style="list-style-type: none"> <li>• Operational implementation of the growth strategy Fast Forward 2025 (e.g. minimum number of new acquisitions acc. to the communicated growth targets, entering major strategic partnerships, sale of minority interests in wind farms and selected solar parks, reduction and optimisation of operating costs in operation and maintenance of solar parks)</li> <li>• ESG factors: Development of a sustainability strategy, performance of innovation, employee satisfaction, sustainability / diversity, compliance, risk management</li> </ul>
Individual performance goals	<ul style="list-style-type: none"> <li>• To be selected from financial and strategic resp. operating issues</li> <li>• Non-financial targets, e.g. acc. to the focus of each of the Board members responsibilities (staff retention, compliance, development of corporate culture)</li> </ul>

Performance targets and criteria do not change during the financial year. The Supervisory Board can take extraordinary circumstances, the effects of which are not sufficiently accounted for in target achievement, into appropriate consideration in defining targets in a small number of justified cases. If extraordinary circumstances occur that necessitate an adjustment, said circumstances will be reported in detail and transparently in the annual remuneration report.

After the end of the financial year, the achievement of each individual target is determined and summarised as a weighted average. The bonus payment amount for the past financial year is calculated as the percentage of the weighted target achievement multiplied by the individual target amount. The annual bonus payment amount is capped at a target achievement of 200 %.

### Annual bonus



The annual bonus amount is paid in cash in the subsequent financial year. If the member resigns from the Management Board, the bonus is calculated on a pro rata basis at the end of the financial year and paid on the usual payment date.

The specific targets for the respective financial year as well as the achieved targets are published in the remuneration report for the past financial year.

**(ii) Long-term, variable, share-based remuneration (AOP)**

Long-term variable remuneration is granted in the form of virtual share appreciation rights (SAR). Members of the Management Board are granted a certain number of SAR in annual tranches, which are paid out in cash at the request of the Management Board member following a multi-year assessment period.

The Supervisory Board defines a share option programme allocation percentage for each Management Board member based on the fixed salary and STI (at 100 % target achieved) as a target (approximately 30 %). The allocated amount is converted into a corresponding number of SARs for the respective member of the Management Board after the end of the financial year. The allocation takes place as at 1 July for the respective current financial year.

The sole purpose of the SARs is to provide cash compensation; no shares are allocated to the members of the Management Board.

One prerequisite for exercising SARs is the achievement of the financial success target, which also determines the specific amount of the cash compensation. In order to achieve the success target, the overall performance of Encavis shares in XETRA trading (or a comparable successor system) on the Frankfurt stock exchange on the date on which the SAR is exercised, measured by the increase in the share price over time and the dividend paid since the SAR was issued, must exceed the issue price by a minimum of 30 % (the “issue price” or the “minimum exercise value”). The relevant issue price of the SARs for the financial success target is calculated as the mean daily closing price of the performance index of the Encavis share in XETRA trading (or in a comparable successor system) on the Frankfurt stock market in the first half of the financial year in which the SARs are allocated. Each SAR grants the holder to the payment of the difference between the exercise price and the issue price, both of which calculated on the basis of the six-month average price. The payment amount is limited to three times the difference between the minimum exercise price and the issue price.

The SARs can only be exercised by Management Board members after a minimum vesting period of three years. After this point, they can be exercised on the half-yearly exercise dates within two years of the end of the three-year vesting period. At no point does the Company pay the long-term variable remuneration automatically.

The Supervisory Board strives to anchor the Company’s sustainability goals even more strongly in the remuneration system for members of the Management Board and add non-financial targets moving forward.

**i) Clawback**

Besides statutory regulations on the subsequent reduction of remuneration, the service contracts of the members of the Management Board do not include any explicit clawback regulations. When concluding future service contracts with members of the Management Board, the Supervisory Board will attempt to conclude standard market clawback regulations that will allow variable remuneration components to be returned (clawback) in certain cases (e.g. performance or compliance).

**j) Remuneration-related legal transactions****aa) Terms and provisions for contract termination, including notice periods**

Management Board members' contracts have the following residual terms and are subject to the following provisions regarding termination. The contract with Dr Paskert expires on 30 August 2025. The contract with Dr Husmann expires on 30 September 2025. The contracts are extended for the period for which the Supervisory Board resolves the reappointment of said member of the Management Board with their approval.

The contract ends in the event of termination without notice for good cause or in the case of early unilateral resignation for good cause.

**bb) Change of control**

There is no special right of termination due to a change of control, nor are any commitments made for the payment of any benefits due to the early termination of the Management Board contract.

**cc) Early termination of the Management Board contract at the request of the Management Board member or by the Company for good cause**

The contracts do not contain any provisions regarding settlements for early termination. No settlement cap is agreed in the Management Board contracts.

Once their contracts expire, the members of the Management Board are subject to a non-competition clause for a period of two years. During this period they are entitled to compensation amounting to 50 % of their last fixed annual salary plus 50 % of the annual bonus assuming 100 % target achievement.

**dd) Provisions concerning remuneration for the assumption of executive functions at consolidated companies**

The members of the Management Board are obliged to transfer any remuneration received for the performance of executive functions at internal group companies or consolidated companies to Encavis.

**ee) Transparency**

The Management Board and the Supervisory Board will prepare an annual report that clearly and coherently details the remuneration granted and owed by the Company or companies belonging to the same group to each current and former member of the Management Board and Supervisory Board (remuneration report).