System of remuneration for the Managing Directors

This remuneration system describes the principles used to determine the remuneration of the managing directors of CompuGroup Medical Management SE. The regulations in sections 87a, 120a German Stock Corporation Act (AktG) on the establishment and approval of a remuneration system for the managing directors are not directly applicable to CompuGroup Medical SE & Co. KGaA ("CompuGroup Medical" or "Company") due to its legal form as a partnership limited by shares (Kommanditgesellschaft auf Aktien). CompuGroup Medical is managed by its general partner, CompuGroup Medical Management SE. CompuGroup Medical Management SE, in turn, is managed by its managing directors ("Managing Directors"). As CompuGroup Medical Management SE itself is not listed on the stock exchange, sections 87a, 120a German Stock Corporation Act (AktG) do not apply directly to the company or the Managing Directors.

The Managing Directors have indirect management responsibility for the business of CompuGroup Medical. For reasons of good corporate governance and transparency, this remuneration system for the Managing Directors therefore follows sections 87a, 120a German Stock Corporation Act (AktG) on a voluntary basis and as such will be presented to the 2022 Annual General Meeting of CompuGroup Medical for approval. The recommendations of the German Corporate Governance Code are also taken into account in this remuneration system unless expressly outlined otherwise in the Company's declaration of conformity.

1. Key features of the remuneration system for the Managing Directors

CompuGroup Medical ranks among the global leaders in the development of e-health solutions and sells efficiency and quality enhancing software and IT services for the healthcare sector. This position as a leading international supplier of IT solutions for the healthcare sector will be further expanded in the future through organic and inorganic growth.

CompuGroup Medical is strongly focused on growth. This philosophy of growth is mainly based on the idea that growth brings advantages for the company that go beyond purely economic benefits and is therefore highly important for all stakeholders of CompuGroup Medical. Corporate strategy therefore focuses very significantly on further growth without neglecting economic efficiency and sustainability. Core elements of this corporate strategy include further expanding the relevant customer base, selling new products and services to existing customers, and maintaining a stable leading position in the field of technology and innovation.

The remuneration system for the Managing Directors provides a crucial incentive to implement the corporate strategy of CompuGroup Medical based on ambitious targets derived from that strategy. The individual remuneration components promote the three key corner stones of the corporate strategy: growth, profitability, and sustainability.

At the same time, the remuneration of the Managing Directors has been devised to remunerate them adequately, reflecting their performance, and their office and responsibility, which extends indirectly to CompuGroup Medical. The success and future prospects of the Company in the relevant competitive environment are also key criteria for the remuneration of the Managing Directors.

In preparing the structure of the remuneration system, special attention is paid to the following guiding principles:

- **Promoting and implementing the corporate strategy:**

By setting ambitious short-term and long-term performance targets that are in line with the goals for corporate development and make them measurable in a targeted manner, the remuneration system as a whole contributes to promoting and implementing CompuGroup Medical's corporate strategy.

- **Harmonization with the interests of shareholders and stakeholders:**

The remuneration system makes a crucial contribution to aligning the interests of the Managing Directors with the interests of shareholders and other stakeholders, as the lion's share of variable remuneration is linked to the long-term performance of CompuGroup Medical and the share price development of the CompuGroup Medical share.

- **Focusing on long-term and sustainable development:**

The long-term and sustainable development of CompuGroup Medical is promoted by granting a long-term variable remuneration component and implementing ESG criteria (Environmental, Social, Governance) in the short-term variable remuneration component.

- **Pay for performance:**

Managing Directors receive performance-based compensation with adequate and ambitious targets for the variable remuneration component. If the targets are not met, the variable remuneration component can be reduced to zero; at the same time, if the targets are exceeded, it can be raised up to a certain maximum amount (cap).

- **Compliance:**

The structure of the remuneration system for the Managing Directors takes into account the applicable regulatory requirements for the structuring of executive remuneration.

2. Processes for determining, implementing and monitoring the remuneration system

In the interests of good corporate governance, CompuGroup Medical also applies the principles of sections 87a (1), 120a (1) German Stock Corporation Act (AktG) to CompuGroup Medical Management SE on a voluntary basis. The Administrative Board of CompuGroup Medical Management SE ("Administrative Board") determines a remuneration system for the Managing Directors according to the regulations for resolutions on the remuneration system for the management board of a listed corporation.

The Administrative Board may use external advisors as part of the preparation process. The Administrative Board took up this option. When assigning the mandate to the external remuneration advisor, it was ensured that the advisor is independent from the Managing Directors, from CompuGroup Medical as well as from CompuGroup Medical Management SE. Further, the general provisions of the German Stock Corporation Act and the German Corporate Governance Code on dealing with conflicts of interest are/were observed while determining and implementing the remuneration system and the ongoing monitoring thereof. The members of the Administrative Board concerned are to make any conflicts of interests that might arise known to the chair of the Administrative Board and refrain from participating in the relevant votes within the Administrative Board. Any significant conflicts of interests, which are not merely temporary, will lead to the termination of the mandate.

This remuneration system serves to further develop the system approved by the Annual General Meeting of CompuGroup Medical on May 19, 2021. The resolution for the remuneration system was passed at the meeting of the Administrative Board on March 7, 2022 and the system will again be submitted to the Annual General Meeting of CompuGroup Medical for approval in accordance with section 120 (3) German Stock Corporation Act (AktG) as amended. Should approval of the remuneration system as submitted be denied, the Administrative Board will submit a revised remuneration system to the next Annual General Meeting of CompuGroup Medical in accordance with section 120 (3) German Stock Corporation Act (AktG).

This remuneration system shall apply to each new employment contract and to each extension of employment contracts with Managing Directors agreed from the day following the Annual General Meeting 2022. The employment contracts of Managing Directors concluded or extended since the 2021 Annual General Meeting already anticipate the changes provided for in this remuneration system. However, to the extent that these employment contracts contain provisions resulting from the amendments to this remuneration system, they are subject to submission for approval by the Annual General Meeting and, to that extent, shall not apply until after such submission. Employment contracts of the Managing Directors already in office before the remuneration system was set up do not in all respects comply with this remuneration system and are protected by grandfathering provisions.

3. Determination of specific target remuneration package, appropriateness of the remuneration of managing directors

In determining the target remuneration package for the Managing Directors, the Administrative Board takes care to ensure that it is proportionate to the responsibilities and performance of the Managing Director and the situation of the Company, that it does not significantly exceed the usual remuneration without good reason and is conducive to the long-term, sustainable development of the Company.

In a market comparison, the remuneration amounts are compared with an adequate reference group ("horizontal comparison") in order to ensure appropriateness. To prevent an automatic upward trend, the Administrative Board applies caution when using the horizontal comparison. National and international listed companies of comparable size and sector are used to form the reference group, e.g. MDAX companies and global software and technology companies. The Administrative Board also takes into account internal remuneration ratios by comparing the remuneration of the Managing Directors with the remuneration of the management level below the Managing Directors and that of the rest of the workforce ("vertical comparison"). The vertical comparison also considers the long-term remuneration trends in the employee groups mentioned above.

4. Overview of the remuneration system for the remuneration of the managing directors

4.1. Remuneration components

The remuneration of the Managing Directors is made up of fixed and variable components.

The fixed components comprise the fixed annual salary ("Fixed Salary") and fringe benefits. CompuGroup Medical does not grant a company pension.

The variable remuneration comprises a short-term component and a long-term component. The short-term variable remuneration is granted annually in the form of a bonus, while the long-term variable remuneration is granted in the form of a share option award.

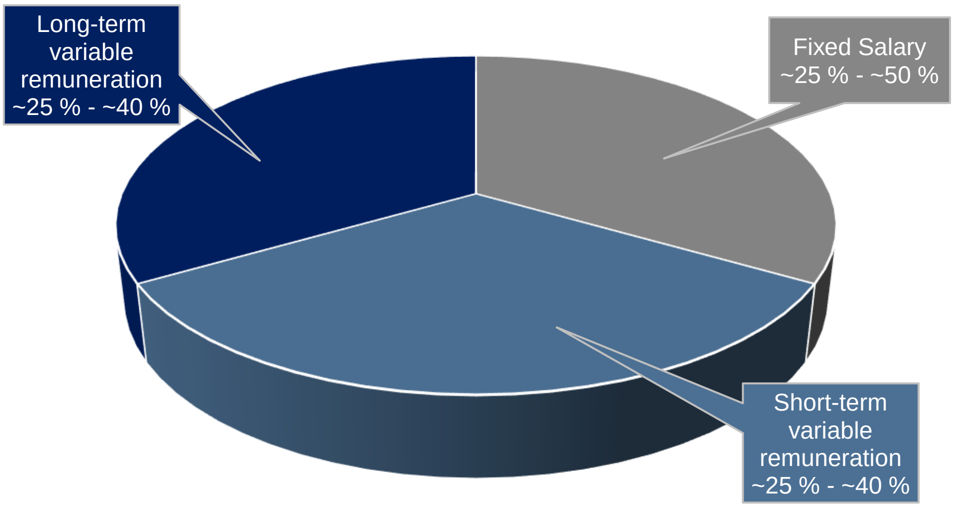
The remuneration components are summarized in the following table:

Remuneration components at a glance	
Fixed remuneration components	
Fixed Salary	Non-performance-related fixed remuneration for the whole year and paid in twelve monthly installments
Fringe benefits	➢ Company car for work-related and personal use ➢ Group accident insurance ➢ D&O insurance policy ➢ Allowances for health and nursing care insurance up to the maximum statutory contribution limit ➢ If applicable, relocation expenses and overnight accommodation costs assumed for newly appointed Managing Directors
Variable remuneration components	
Short-term variable remuneration	
Plan type	Target bonus model
Performance targets	➢ Group targets (30 %–70 %) ✓ 15 %–35 % revenues ✓ 15 %–35 % adjusted EBITDA ➢ Individual targets (30 %–70 %) ✓ Including ESG-based targets, targets relating to the area of responsibility, and any other Group targets
Performance period	One year
Cap	200 % of the target amount
Payment	In cash after the end of the performance period
Long-term variable remuneration	
Plan type	Share option program
Key parameters	➢ Performance period: three years ➢ Waiting period: four years ➢ Exercise period: six years
Exercise conditions	➢ Share price increase of at least 15 % ➢ Share options may not be forfeited (e.g., due to resignation)
Exercise	➢ Must be exercised within a period of four weeks beginning on the third working day after the results for the respective quarter or financial year are announced ➢ May be exercised in full or in part in tranches of a minimum of 10,000 option rights ➢ Exercise price equates to the volume-weighted average price of shares during the period beginning 45 days before and ending 45 days after the issue date
Other contractual components	
Malus and clawback provisions	Partial or full reduction of granted short-term variable remuneration and/or reclaiming thereof
Maximum remuneration p.a.	Pursuant to section 87a (1) no 1 AktG, the maximum remuneration amounts to EUR 15,000,000 p.a. for each Managing Director
Benefits in the case of early dismissal/termination of employment contract	Severance payments may not exceed the remuneration for the remaining term of the employment contract until its ordinary termination date; they are limited to a maximum of two years' total remuneration ("Severance Pay Cap")
Change of control	Payments made following a change of control may not exceed a maximum of 150 % of the fixed and short-term variable remuneration components until the ordinary termination date of the employment contract up to a maximum period of two years

4.2. Remuneration structure

The structure of the target remuneration package has a long-term focus and is aimed at sustainable corporate development, as required by law. The target remuneration package consists of the total amount of all compensation components (including fringe benefits) granted for a financial year. In the case of short-term variable remuneration, the target remuneration package is determined on the basis of the amount of the bonus assuming 100 % target achievement; in the case of long-term variable remuneration, the Administrative Board determines the average value of the share options (in each case the “Target Amount”) at the time the contract is concluded using standard market valuation methods (e.g. a Monte Carlo simulation).

The Fixed Salary (including fringe benefits) as a percentage of the target remuneration package is generally between ~25 % and ~50 % of the annual target remuneration package, while the share of short-term variable remuneration is between ~25 % and ~40 %, and the Target Amount of long-term variable remuneration is also between ~25 % and ~40 %. Within this context, attention is paid in each individual case to ensuring that the variable remuneration component clearly outweighs the fixed remuneration component; and that within the variable remuneration component, the Target Amount of the long-term variable remuneration component outweighs the Target Amount of short-term variable remuneration component. The “pay for performance” objective of the remuneration system for Managing Directors is fulfilled by the fact that the variable portion of the remuneration package is generally much higher than the fixed share.



Deviations from the ratios of the target remuneration package as described may occur (i) if new share options are not granted or are only granted to a limited extent when contracts are extended, (ii) due to the share price performance or the valuation of agreed fringe benefits, or (iii) if individual Managing Directors are granted supplementary remuneration components because they have taken on additional tasks on a proxy basis (e.g. if only the Fixed Salary is increased). Equally, the ratios may vary slightly in the event of special payments being granted due to taking up office.

4.3. Maximum remuneration

The remuneration of the Managing Directors is capped at a maximum remuneration amount within the meaning of section 87 a (1) sentence 2 no. 1 German Stock Corporation Act (AktG). This forms an upper limit for the sum total of the Fixed Salary and fringe benefits, and the short-term and long-term variable remuneration components. The cap refers to the sum total of all payments (including fringe benefits) resulting from the remuneration granted in one financial year. The maximum gross remuneration per financial year of each Managing Director is capped at mEUR 15.

The individually agreed maximum remuneration amount takes special account of the fact that the long-term variable remuneration is issued in the form of share options, which have a pronounced risk-reward profile. Share option awards can lead to high profit takings, but options can also be forfeited, meaning that the multi-year variable remuneration can be lost entirely, especially if the target increase in share price is not achieved. Any special payments made on taking up office or severance payments made when a Managing Director leaves the Company are disregarded in calculating the maximum remuneration.

5. Detailed description of the remuneration system

5.1. Fixed remuneration components

5.1.1. Fixed Salary

The Fixed Salary is a fixed remuneration for the whole year and paid in twelve monthly installments.

5.1.2. Fringe benefits

Additionally, the Managing Directors receive payments in kind and other remuneration ("Fringe Benefits"). In addition to the provision of a company car commensurate to their position for work-related and personal use, these include insurance premiums for a Group accident insurance policy and D&O insurance with an appropriate amount of cover and an excess amount in accordance with section 40 (8) of the SE Implementation Act (SEAG) in conjunction with section 93 (2) sentence 3 German Stock Corporation Act (AktG). Allowances may further be granted for private health and nursing care insurance covering up to 50 % of the evidenced contribution but not exceeding the maximum employer contribution for statutory health and nursing care insurance.

Further, relocation expenses may be covered for newly appointed Managing Directors as well as the cost of accommodation for a period of up to six months.

Furthermore, the Administrative Board may, at its reasonable discretion, temporarily reimburse the expenses for extraordinary ancillary costs (e.g. security measures) if a significant change in circumstances thus requires. The Administrative Board also has the option of granting one-time special payments to new Managing Directors particularly in compensation for the loss of variable remuneration entitlements from a previous employment relationship caused by the move to CompuGroup Medical Management SE, or to cover the costs arising from a change of location when assuming office.

5.2. Variable remuneration components

5.2.1. Short-term variable remuneration

5.2.1.1. How the short-term variable remuneration works

The short-term variable remuneration of the Managing Directors is designed as a system of target bonuses. A Target Amount for the annual bonus is set for each Managing Director. This Target Amount applies to the assumption that performance targets will be 100 % achieved. The specific performance targets and associated target values are set before the beginning of the respective financial year. The amount of the bonus then depends on the degree of target achievement (see below for more details), but is limited to 200 % of the Target Amount (cap).

The performance targets can be divided into two target categories: Group targets and individual targets. While Group targets focus primarily on growth and profitability, the individual targets center on the respective Managing Director's area of responsibility and on ESG factors (environmental, social, governance). By taking into account individual performance targets, the Administrative Board is able to set individual incentives for Managing Directors and thereby, for example, promote the successful completion of key projects in the Managing Director's area of responsibility or the achievement of ESG goals. All performance targets are added up and interlinked. The Group targets account together for 30 %–70 % of the total target amount, and the individual targets make up the corresponding 30 %–70 % of that total. The precise weighting of the individual performance targets is set out by the Administrative Board prior to the start of the relevant financial year. The share of group targets will usually be higher for the CEO and the CFO than for the other Managing Directors who have direct responsibility for a specific business area.

The table below illustrates the structure of the short-term variable remuneration:

<table>
<tr><td colspan="5">Short-term variable remuneration – basic functionality</td></tr>
<tr><td rowspan="4">Target Amount in EUR</td><td colspan="3">Total target achievement (0 %–200 %)</td><td rowspan="4">Payment in cash (cap at 200 % of Target Amount)</td></tr>
<tr><td colspan="2">Group targets</td><td>Individual targets</td></tr>
<tr><td colspan="2">Target achievement (0 %–200 %)</td><td>Target achieve-ment (0 %–200 %)</td></tr>
<tr><td>Revenues</td><td>Adjusted EBITDA</td><td>Including targets based on ESG, area of responsi-bility and other Group targets, if applicable</td></tr>
<tr><td></td><td>Weighting 15 %–35 %</td><td>Weighting 15 %–35 %</td><td>Weighting 30 %–70 %</td><td></td></tr>
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5.2.1.2. Performance targets for short-term variable remuneration – Group targets

The Administrative Board defines a target value for all Group targets prior to the start of the financial year. The achievement of this target value leads to a target achievement of 100 %. In addition, a threshold value as well as a maximum value is specified for each target. Target achievement levels between the threshold and target value and between the target and maximum value are interpolated on a straight-line basis.

Failure to meet the threshold value equates to a target achievement of 0 % for that specific performance target and therefore to the complete loss of the pro rata remuneration for this target. If the maximum value for a particular performance target is achieved or exceeded, this leads to a target achievement level of a maximum of 200 % (cap). Any further increase in the value of that particular performance target will not result in an increment in the target achievement level, nor may it be used to offset other performance targets with lower achievement levels.

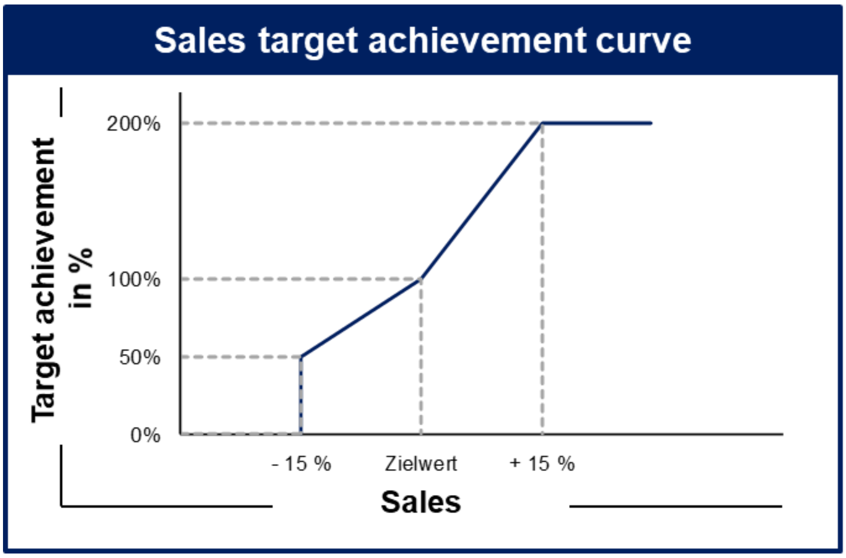
The Group targets found in the short-term variable remuneration are derived from the corporate strategy of CompuGroup Medical and specifically include revenues and adjusted EBITDA.

a. Revenues

Revenues are a key performance indicator of CompuGroup Medical and make up 15 %–35 % of the total target achievement of the short-term variable remuneration. This performance indicator offers an insight into the ability to fulfill the primary growth target and is defined as revenues with third parties. Revenue performance includes both organic and inorganic growth. The use of revenues as a performance target underscores the growth philosophy of CompuGroup Medical and makes a significant contribution to the successful implementation of corporate strategy.

The target value for the Group target of “Revenues” equates to a target achievement level of 100 %. It is derived from the budget and is defined annually by the Administrative Board together with the specific threshold and maximum values. At the moment, the threshold and maximum values equate to missing or exceeding the target value by exactly 15 % in both cases.

The resulting target achievement curve is as follows:

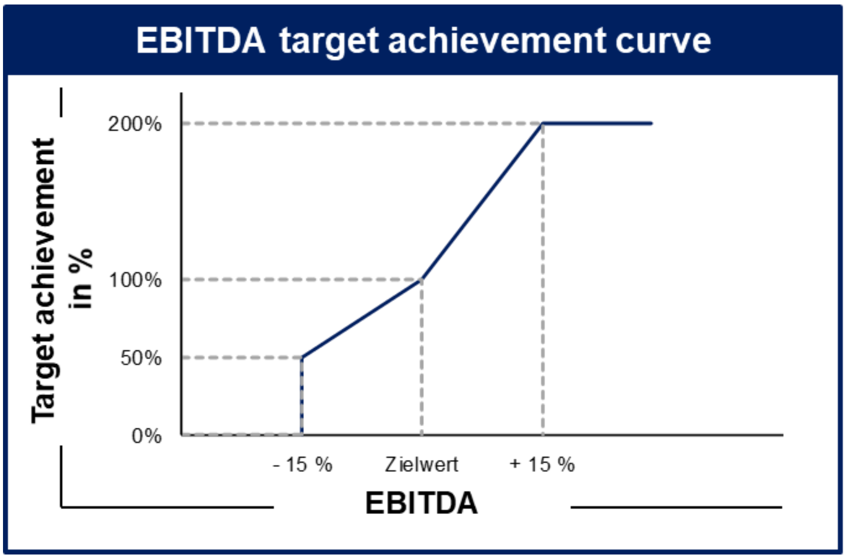


b. Adjusted EBITDA

The second Group target influencing the short-term variable remuneration is the adjusted earnings before interest, taxes, depreciation and amortization (EBITDA). Adjusted EBITDA is also weighted at 15 %–35 %. The adjusted EBITDA is a good indicator of the ability of CompuGroup Medical to generate cash flow before taking into account expenditure for taxation, investments and financing. As a complement to revenues, this takes account of economic efficiency and incentivizes profitable growth.

The Administrative Board also sets a target value, a threshold value and a maximum value every year for the "adjusted EBITDA" Group target, where the target value is linked to budget planning for the upcoming financial year. At the moment, the threshold and maximum values equate to missing or exceeding the target value for adjusted EBITDA by exactly 15 % in both cases.

The resulting target achievement curve is as follows:



5.2.1.3. Performance targets for short-term variable remuneration – individual targets

Alongside the collective Group targets, which apply equally to all Managing Directors, individual targets are additionally used to assess and appropriately reward the respective performance of each and every Managing Director. The individual targets are also agreed on with the Managing Directors prior to the start of each financial year and are weighted at 25 %–50 %. They contain targets relating to each Managing Director's area of responsibility as well as ESG-based targets and other Group targets. The individual business area targets place particular emphasis on success within the business area for which the Managing Director is responsible. Possible incentives for this success could be performance targets such as the development and roll-out of OneGroup tools, the establishment of an effective CTO organization or expansion of the customer platform. When selecting these targets, particular attention is paid to their relevance and measurability. In addition to targets relating to areas of responsibility, the individual targets also include ESG targets derived from the corporate and sustainability strategies. Here, the Administrative Board can set specific ESG targets prior to the start of the financial year, based on the materiality analysis. These might for example relate to the areas of data protection and information security, health protection, equality and diversity or compliance.

Where Group targets are incorporated into the individual targets, they must be linked to the Group-wide role and responsibility of the respective Managing Director and thereby incentivize their performance at Group level.

5.2.2. Long-term variable remuneration

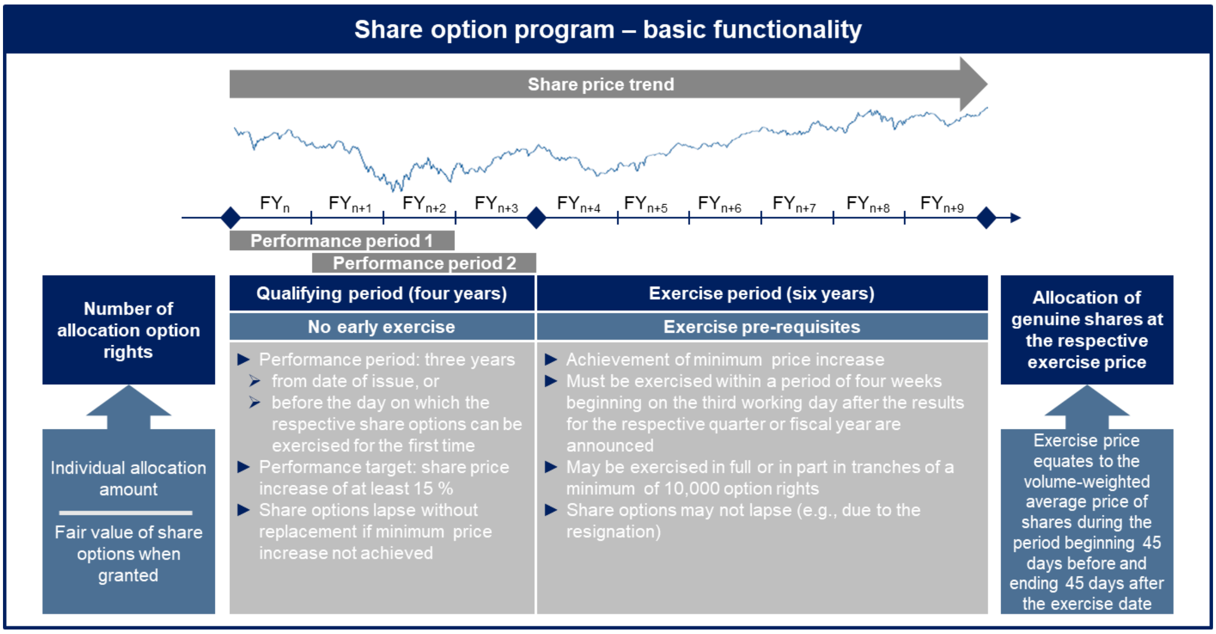
The long-term variable remuneration of the Managing Directors is granted in the form of a share option program. Under the share option program, the Managing Directors receive either subscription rights for no-par value bearer shares of CompuGroup Medical ("Share Options") on an annual basis for the respective financial year or, in one tranche, share options as a remuneration element for several years or for the entire term of the contract. The Administrative Board may, at its discretion, waive the granting of further share option awards in whole or in part for the period of a contract extension and instead provide for a comparable long-term remuneration element, which may also consist in the reallocation or extension of the waiting period of Share Options from previous periods of employment (extended lock-up). Furthermore, the Administrative Board may make the granting of share option awards wholly or partially conditional on the Managing Director having reached a certain minimum target level (e.g. 70 %) of the performance targets for the short-term variable remuneration in the year prior to the granting of the Share Options.

If the share option award is granted in one tranche for several years, the Share Options shall for purposes of (i) the waiting periods, (ii) the exercise conditions, (iii) the forfeiture provisions, (iv) the Target Amount under the target remuneration package and (v) the maximum remuneration, always be allocated proportionately and in equal parts to those years for which they are granted. Accordingly, with regard to the waiting periods, exercise conditions and forfeiture provisions, the day corresponding to the actual issue date in the year for which the Share Options are granted shall be deemed to be the grant date. Accordingly, the Target Amount of long-term variable remuneration (cf. section 4.2) is measured only on the basis of the value of the Share Options granted for the relevant year (instead of taking into account all Share Options in the year of actual issue). Likewise, for the purpose of calculating and not exceeding the maximum remuneration (cf. section 4.3), the Share Options are included in the remuneration proportionately and in equal parts for the years for which the Share Options were granted.

The number of Share Options to be granted is agreed in individual contracts by specifying a concrete number of shares or an allotment amount. In the case that an allotment amount is agreed upon, the number of Share Options is determined by dividing the individual allotment amount by the fair value of the Share Options immediately prior to the resolution of the Administrative Board on the issue of the Share Options. In compliance with the respective waiting and exercise periods (see b. for details) and with the exercise conditions (see c. for details), the Managing Directors may exercise the Share Options at the respective exercise price (see a. for details).

Linking the long-term variable remuneration to the price trend of CompuGroup Medical shares aligns the interests of the Managing Directors even more closely with those of shareholders. At the same time, the lengths of the performance period, the waiting period and the exercise period are incentives for the long-term, sustainable development of the Company. The Administrative Board may decide, at its own discretion, whether Share Options that are exercised are settled by utilizing contingent capital resolved upon for this purpose, by utilizing the Company's own shares, or in cash.

The figure below illustrates the structure of the long-term variable remuneration in the form of the share option program:



a. Exercise price

The price per share to be paid upon exercising a share option ("Exercise Price") corresponds to the volume-weighted average price of the share in the Company in the XETRA trading system (or a comparable successor to the XETRA system that fulfils the same function) of the Frankfurt Stock Exchange for a period beginning 45 calendar days before and ending 45 calendar days after the respective issue date but not less than the pro rata amount of the share in the share capital of the Company (section 9 (1) German Stock Corporation Act (AktG)). The issue date of a share option is the day on which the issue of the share option decided by the Administrative Board is communicated to the Managing Director (receipt of the declaration).

b. Waiting period, option life and exercise periods

Share Options can be exercised for the first time after the waiting period of four years has expired. The waiting period begins on the respective issue date and ends no earlier than exactly four years after the issue date (end-of-day). After expiry of the waiting period, the Managing Directors can exercise the Share Options within a period of six years (the "Option Life"). Within this period, Share Options can be exercised within four weeks of the third working day after the results of the respective quarter of the financial year have been announced (each four-week period constitutes an exercise period). Legal restrictions in line with the general regulations remain unaffected.

The Option Life can be extended by the Administrative Board as deemed appropriate where it is not possible to exercise the options before the end of their original life due to statutory regulations. The Administrative Board is also authorized to restrict the Option Life generally or on a case-by-case basis as appropriate, and in the case of such a restriction to extend it on a case-by-case basis. In addition, the Administrative Board may, by individual contract, extend the waiting period for individual Share Options already granted, in particular for Share Options granted during a previous employment period, by a period of up to four years (extended lock-up) and provide for the Share Options to be long-term variable remuneration for the financial years within the extended waiting period.

c. Exercise conditions

One condition for exercising Share Options is that the price of the Company's share has increased by at least 15 % in total ("Minimum Share Price Increase") either (i) in the period of three years from the issue date or (ii) in the period of three years before the date on which the Share Options in question can be exercised for the first time ("Performance Period"). The relevant starting value in case (i) is the Exercise Price and in case (ii) the volume-weighted average share price of the Company in XETRA (or a system with similar functions that replaces XETRA) on the Frankfurt Stock Exchange for a time period beginning 45 calendar days prior to and ending 45 calendar days after the first day of the relevant three-year period. The relevant reference price for the calculation of the Minimum Share Price Increase is the volume-weighted average share price of the Company in XETRA (or a system with similar functions that replaces XETRA) on the Frankfurt Stock Exchange during the last three months prior to the expiry of the relevant three-year period. If the Minimum Share Price Increase is not achieved, the Share Options are forfeited without replacement. Options may be exercised in full or in part in tranches of a minimum of 10,000 Share Options. Options may also be exercised if the employment contract of the Managing Director has ended but the Share Options granted to him or her have not yet been forfeited because of the Managing Director leaving the Company (see 5.2.2. e. below). The Administrative Board may, by individual contract or in the option conditions, raise the Minimum Share Price Increase to 20 %, which is to be measured either within the above-mentioned Performance Period or for the entire waiting period.

d. Adjustments

If, during the life of Share Options, the Company increases its share capital by issuing new shares with indirect or direct subscription rights for its shareholders, or places its own shares, or issues convertible bonds or option bonds with shareholder subscription rights, the Administrative Board is authorized to grant the Managing Directors compensation in order to offset the dilution effect in part or in full. The compensation may take the form of a reduction in the Exercise Price and/or an adjustment of the number of Share Options. The beneficiaries have no entitlement to economic equalization or indemnification, however. The Administrative Board further reserves the right, in the event of extraordinary circumstances, to use its proper discretion to adjust the economic value of the Share Options. Should the Annual General Meeting of CompuGroup Medical resolve to issue other or additional performance targets for the granting of Share Options, the exercise conditions for new Share Options to be issued to Managing Directors shall always be based on these resolutions of the Annual General Meeting, and the performance targets and conditions defined by the Annual General Meeting shall in this respect also be deemed to be part of this remuneration system.

e. Rules governing forfeiture on leaving the Company

On termination of an employment contract, all Share Options not yet granted for the period subsequent to the Managing Director leaving the Company are forfeited. Where the contract of the Managing Director was continued for at least two years, the share option program for the Share Options already awarded will continue to operate in the event of termination according to the original terms and conditions if and to the extent that (A) the Share Options are not forfeited on a pro rata basis in accordance with the provision in the preceding sentence and (B) the Share Options were granted at least 12 months prior to the termination of the employment contract and may be exercised within the framework of the rules of the share option program unless the Managing Director (i) leaves office without good cause as laid out in section 626 German Civil Code (BGB), (ii) declines to accept a contract extension with substantially similar terms or does not receive an offer of such a contract extension because of good cause for which the Managing Director is responsible within the meaning of section 84 (3) German Stock Corporation Act (AktG), (iii) is removed for good cause for which he or she is responsible within the meaning of section 84 (3) German Stock Corporation Act (AktG), or (iv) has his or her employment contract terminated by the Company for good cause within the meaning of section 626 (1) German Civil code (BGB). The Share Options awarded for the previous years and on a pro rata temporis basis for the year of leaving the Company can continue to be exercised within the framework of the provisions of the share option program upon retirement, or in the case of leaving due to permanent disability for service or invalidity or death.

On termination of the employment contract or dismissal as Managing Director for good cause for which the Managing Director is responsible within the meaning of section 626 (1) German Civil Code (BGB) or section 84 (3) German Stock Corporation Act (AktG), any Share Options not yet exercised or vested will be forfeited without compensation on the day the Managing Director leaves the Company.

6. Remuneration-related transactions

6.1. Employment contract terms

The employment contracts of the Managing Directors have a maximum fixed term of five years. In the event that the appointment is revoked by the Administrative Board, such employment contracts end upon expiry of the statutory period of notice pursuant to section 622 (2) of the German Civil Code (BGB). The term of the contract for new appointees is three years at most.

There is no ordinary right to termination; this does not affect the right of both parties to extraordinary termination for good cause in accordance with section 626 (1) German Civil Code (BGB).

6.2. Mid-year appointment and leaving the Company in the course of the year

If a Managing Director is appointed for the first time during the course of a financial year or leaves the Company mid-year, the total remuneration including the one-year variable remuneration and the allotment amount specified by the share option program will be reduced on a pro rata temporis basis corresponding to the length of service in the relevant financial year. In certain circumstances, Share Options that have been awarded but not yet exercised or unvested Share Options may be forfeited without compensation (see 5.2.2.e. above).

6.3. Secondary employment, internal supervisory and administrative board positions

If Managing Directors take up positions on other supervisory or administrative boards within the CompuGroup Medical Group, any remuneration paid and received for such office must be transferred to the Company.

The acceptance of secondary employment outside the CompuGroup Medical Group requires the prior consent of the Administrative Board. When giving consent, the Administrative Board will decide whether any remuneration paid for such secondary employment is offset against the remuneration for the work as Managing Director.

6.4. Malus and clawback provisions

The contracts of the Managing Directors contain provisions on withholding short-term variable remuneration components (malus) or reclaiming already paid out short-term variable remuneration components (clawback).

Such a reducing or withholding or reclaiming all or part of the short-term variable remuneration may be imposed as a consequence for a breach of the employment contract justifying extraordinary termination or an intentional or grossly negligent breach of essential due diligence requirements within the meaning of section 40 (8) of the SE Implementation Act (SEAG) in conjunction with section 93 (2) sentence 1 German Stock Corporation Act (AktG) (“Compliance Malus”/“Compliance Clawback”).

Whether and to what extent amounts are withheld or reclaimed is at the reasonable discretion of the Administrative Board. To this end, the Administrative Board must take into account the significance, duration and potential repetition of the breach of duty on the part of the Managing Director in question as well as, in particular, the physical damage suffered by the Company and the extent to which the Managing Director contributed to this.

Moreover, the Administrative Board may adjust the assessment of the short-term variable remuneration component, or reclaim, in whole or in part, short-term variable remuneration already paid out if and to the extent that it becomes apparent after the original assessment or after the payment, that the information on which the calculation of the payment amount had been based, in particular the underlying audited and approved consolidated financial statements, was not correct and that on the basis of the revised information, a lower amount or no payment of the short-term variable remuneration component would have been due (“Performance Malus”/”Performance Clawback”).

A reduction in the short-term variable remuneration component due to a breach of duty or compliance, or due to the adjustment of underlying information, can generally only be made for the financial year in which such breach has been identified or for which incorrect information was used to determine the amount of remuneration. Irrespective of the reason for the clawback, short-term variable remuneration already paid out can be reclaimed up to four years after the end of the financial year in which the breach of duty or compliance occurred or for which short-term variable remuneration had been paid out on the basis of incorrect information. Notwithstanding the above regulations, the obligation of the Managing Directors to compensate the Company in accordance with section 40 (8) SE Implementation Act (SEAG) in conjunction with section 93 (2) sentence 2 German Stock Corporation Act (AktG) remains unaffected.

6.5. Benefits in the case of early dismissal/termination of employment contract

The Managing Director’s employment contracts contain provisions according to which payments made due to early dismissal of a Managing Director or due to early termination of the employment contract without a good cause for which the Managing Director is responsible may not exceed the remuneration for the remaining term of the employment contract until its ordinary termination date and according to which such payments are limited to a maximum of two years’ total remuneration (“Severance Pay Cap”). The underlying total annual remuneration is based on the remuneration (both fixed and variable remuneration) paid in the last full financial year and potentially also on the total annual remuneration (both fixed and variable remuneration) expected for the current financial year. Open variable remuneration components referring to the period prior to the Managing Director leaving the Company are paid in accordance with the targets and parameters for comparison originally agreed upon and with the due dates or holding periods specified in the contract.

There is no entitlement to a severance payment if the early dismissal or termination of the employment contract occurs due to good cause for which the Managing Director is responsible. This also applies where the Managing Director resigns and this does not occur for reasons for which CompuGroup Medical or CompuGroup Medical Management SE are responsible.

6.6. Change of control

The employment contracts of the Managing Directors provide for a special right of termination in the event of a "Change of Control" if (i) the person acquiring control significantly restricts the powers of the Managing Director within a period of six months after the change of control, or (ii) the remaining term of the Managing Director's employment contract is less than two years and the Managing Director is not made a legally binding offer to extend his or her employment contract by at least two more years from the date of this offer under at least comparable economic conditions. In case this special right of termination is exercised, the Managing Directors are entitled to a severance payment, which is subject to a cap. This cap is set at a maximum of 150 % of the fixed and short-term variable remuneration components up to the ordinary termination date of the employment contract, whereby the short-term variable remuneration is calculated on the basis of an assumed target achievement of 100 % and for a period not exceeding two years. Where the Managing Director makes use of their special right of termination in a case of Change of Control, the Share Options already granted remain in place and become vested. The same applies if the Managing Director is dismissed within a period of six months after the time of the Change of Control event without good cause for which the Managing Director is responsible.

A Change of Control event shall be deemed to exist if an acquirer (other than CompuGroup Medical) acquires a controlling influence over CompuGroup Medical Management SE or if CompuGroup Management SE ceases to be general partner of CompuGroup Medical.

6.7. Non-competition clause

Managing Directors are subject to a comprehensive non-competition clause for the duration of their office.

In addition, the employment contracts include a post-contractual non-competition agreement for a period of 12 months. A compensation payment is granted for the duration of the post-contractual non-competition agreement. This amounts to 50 % of the last fixed annual salary drawn and the last annual bonus actually awarded.

Any severance payments will be offset against the compensation.

6.8. Temporary incapacity for work

If a Managing Director is temporarily unable to work, he or she will receive continued payment of the Fixed Salary and short-term variable remuneration on a pro rata temporis basis for a period of four months but not past the termination date of the employment contract.

6.9. Permanent incapacity for work, and death, retirement

If the Managing Director dies or becomes permanently unable to work, the Fixed Salary and the one-year variable remuneration will continue to be paid on a pro rata temporis basis for a period of three months after the end of the month in which the Managing Director left active service. In the event of death, payment is made to the surviving dependents.

7. Temporary deviation from the Managing Directors' remuneration system

The Administrative Board has the option of temporarily deviating from the remuneration system in special and exceptional circumstances if this is necessary in the interests of the long-term development of the Company. Such deviations may be necessary to ensure adequate incentives in the event of a severe corporate or economic crisis, for example. These extraordinary circumstances underlying and necessitating a deviation must be ascertained by a resolution of the Administrative Board. However, generally unfavorable market trends are not sufficient grounds to justify a deviation from the remuneration system due to special and extraordinary circumstances.

The components of the remuneration system that can be deviated from under these circumstances are the procedure, the provisions governing the structure and amount of remuneration, the financial and non-financial performance criteria, and the principles of assessment as well as the threshold, target and maximum values of the individual remuneration components. In such cases, the Administrative Board may also temporarily grant additional remuneration components or replace individual remuneration components with other remuneration components or deviate from the maximum remuneration, insofar as this is necessary to restore an appropriate level of incentive for the remuneration of the Managing Directors. Regardless of any deviation from the remuneration system, the remuneration as such and its structure must continue to target the long-term, sustainable development of the Company and be in proportion to the success of the Company and the performance of the Managing Directors.