Remuneration system for the Managing Directors

This remuneration system describes the principles used to determine the remuneration of the managing directors ("Managing Directors"[1]) of CompuGroup Medical Management SE, the personally liable general partner of CompuGroup Medical SE & Co. KGaA ("CompuGroup Medical" or "Company"). Since the legal form of the Company is a partnership limited by shares (KGaA), its business is managed by its personally liable general partner and thus indirectly by the Managing Directors, who are in this respect comparable to the board members of a stock corporation.

Due to the Company's legal form, the provisions under stock corporation law regarding the establishment and approval of a remuneration system for the management board are not directly applicable to the Company and the remuneration of the Managing Directors. For reasons of good corporate governance and transparency, this remuneration system, however, is voluntarily based on sections 87a, 120a German Stock Corporation Act (AktG) and as such will be presented to the 2023 Annual General Meeting of CompuGroup Medical for approval.

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. As a result, the corporate strategy therefore focuses mainly on further growth, while maintaining profitability 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.

[1] For ease of reading, the masculine form is used in this remuneration system, but this form is also expressly intended to include female Managing Directors.

- **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 remuneration is linked to the long term and sustainable 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 Incentive and by implementing ESG criteria (Environmental, Social, Governance) in the Short Term Incentive component.

- **Pay for performance:**

Managing Directors receive performance-based remuneration 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

The Administrative Board of CompuGroup Medical Management SE (“Administrative Board”) is responsible for developing the remuneration system for Managing Directors.

The general provisions of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code on dealing with conflicts of interest are 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, 2022. The resolution for the remuneration system was passed at the meeting of the Administrative Board on February 6, 2023 and the amended system will again be submitted to the Annual General Meeting of CompuGroup Medical for approval. Should approval of the remuneration system be denied, the Administrative Board will submit a revised remuneration system to the next Annual General Meeting of CompuGroup Medical.

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 2023. The employment contracts of Managing Directors concluded or extended since the 2022 Annual General Meeting already anticipate the changes provided for in this remuneration system, but are in this respect subject to submission for approval by the Annual General Meeting.

3. Appropriateness of the remuneration of Managing Directors

When taking remuneration-related decisions, the Administrative Board takes care to ensure that the overall remuneration package is proportionate to the responsibilities and performance of the

Managing Director and the position of the Company, that it does not significantly exceed the usual remuneration without good reason and that the remuneration structure 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. SDAX, MDAX and TecDAX 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. Key features of the remuneration of 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.

The variable remuneration comprises a short-term component (“Short Term Incentive”) and a long-term component (“Long Term Incentive”). The Short Term Incentive has a one-year performance period and is granted annually as a cash bonus depending on target achievement. The Long Term Incentive has a multi-year performance period and is generally granted in the form of share options, but may also be replaced in whole or in part by another cash bonus.

Furthermore, the Administrative Board may grant the Managing Directors certain special payments on a case-by-case basis that are linked to specific additional targets being met.

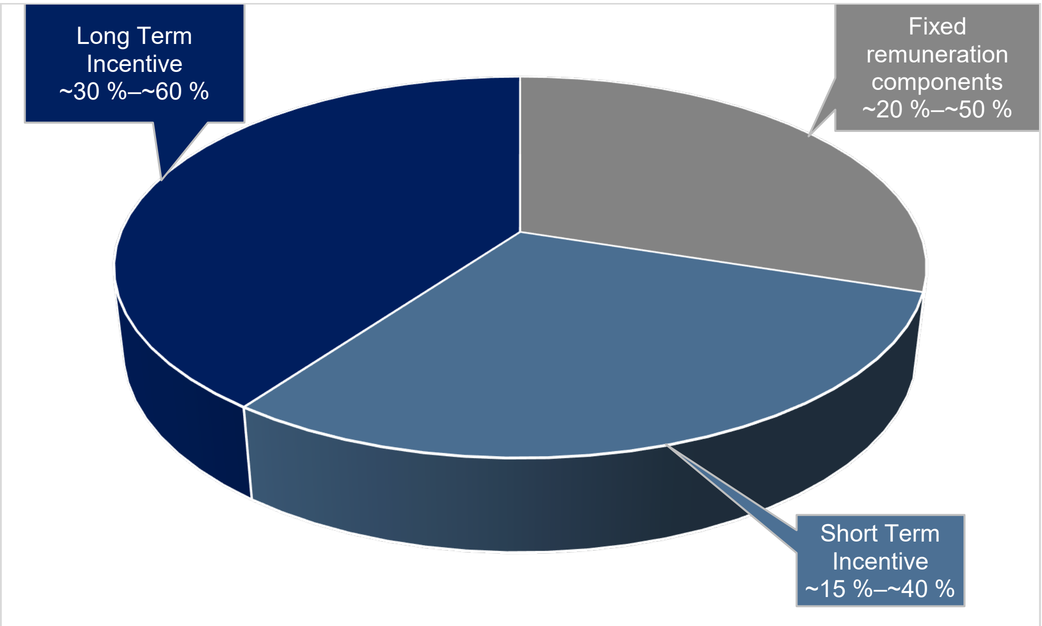
The following table provides an overview of the usual remuneration components and other significant remuneration-related provisions.

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 ▶ Grants for health and nursing care insurance ▶ If applicable, relocation expenses and overnight accommodation costs assumed for newly appointed managing directors
Variable remuneration components	
Short Term Incentive	
Plan type	Target bonus model
Performance targets	▶ Group targets (30 %–70 %) ➢ 10 % – 35 % revenues ➢ 10 % – 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 Incentive	
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 to 20 %
Exercise	▶ Exercise price equates to the volume-weighted average price of shares during the period beginning 45 days be-fore and ending 45 days after the issue date ▶ May be exercised in full or in part in tranches of a mini-mum of 10,000 option rights
Plan type	Target bonus model
Key parameters	▶ Group and/or individual targets as performance goals ▶ Multi-year performance period ▶ Cash payment at end of performance period
Special payments	
Signing-Bonus	▶ Granting of a start-up bonus, if applicable
Special bonuses	▶ If applicable, special bonuses for exceptional performance (e.g. implementation of key projects)
Other contractual components	
Malus and clawback provisions	Partial or full reduction of granted short-term variable remunera-tion and/or reclaiming thereof
Maximum remuneration p.a.	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' to-tal 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 remuner-ation components until the ordinary termination date of the em-ployment contract up to a maximum period of two years

4.2. Remuneration structure

In determining the remuneration of the Managing Directors, the Administrative Board ensures that the remuneration structure provides strong incentives for the sustained positive development of CompuGroup Medical while at the same time enabling fair performance-related remuneration. The remuneration structure describes the relationship of the individual remuneration components to each other. The target remuneration package, which is the sum of all regular remuneration components (including fringe benefits) promised for a financial year is taken as the benchmark for determining the remuneration structure. The target remuneration package consists of variable compensation components that provide for a cash payment, i.e. the amount that is paid if 100 % of the respective target is achieved, and remuneration in the form of share options at the option value determined by the Administrative Board upon conclusion of the contract using standard market measurement methods. Special payments, in contrast, are not taken into consideration, nor are changes to the value of the share options and fringe benefits.

The remuneration structure for each financial year is as follows:



The Administrative Board ensures in each individual case that the variable remuneration clearly outweighs the fixed remuneration, and that the share of the Long Term Incentive within the variable remuneration exceeds that of the Short Term Incentive in order to take account of the pay for performance concept and the sustainability goal. Deviations from the presented relative shares of the target remuneration package may arise (i) if new share options are not granted or are granted to a limited extent upon contract extension or (ii) due to the development of the share price with regard to the value of the share options or due to the valuation of the promised fringe benefits.

4.3. Maximum remuneration

The remuneration of each Managing Director is limited in the individual contracts to a maximum remuneration per financial year, which amounts to a gross maximum of 15 million euro. The maximum remuneration is the upper limit for the sum of Fixed Salary, fringe benefits, Short Term Incentive, Long Term Incentive and special payments resulting from the remuneration actually granted for a financial year.

The individually agreed maximum remuneration amount takes special account of the fact that a Long Term Incentive is issued in the form of share options, which have a pronounced risk-reward profile. Being granted share options may lead to high profit opportunities, but options can also be forfeited, meaning that the multi-year variable remuneration may be lost entirely.

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, especially for a group accident insurance policy and D&O insurance policy 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. CompuGroup Medical does not grant a company pension.

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. Further, relocation expenses for newly appointed Managing Directors as well as additional cost of accommodation and travel expenses may be covered.

5.2. Variable remuneration components

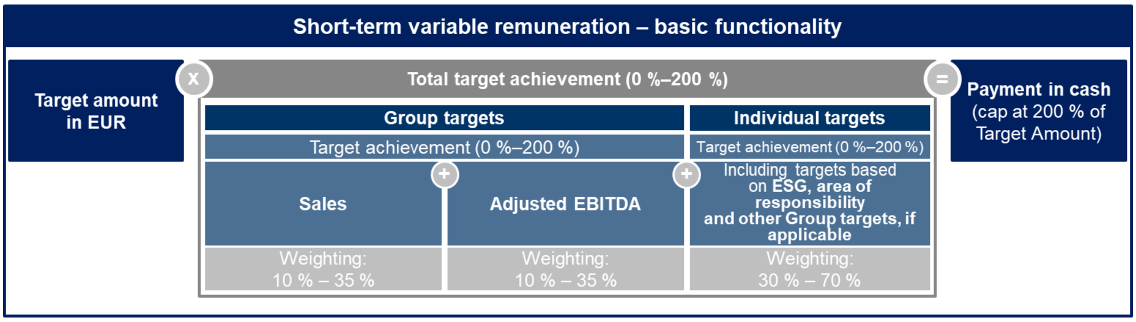
5.2.1. Short Term Incentive

5.2.1.1. How the Short Term Incentive works

The Short Term Incentive is structured in the form of a target bonus system. A Target Amount for the Short Term Incentive bonus, which is paid out annually, is agreed with each Managing Director in their contract. The Target Amount corresponds to the amount payable if 100 % of the target is achieved. The actual amount of the bonus depends on the degree of target achievement, but is limited to 200 % of the Target Amount (cap).

The performance targets can be divided into two target categories: group targets, which focus on the group's revenues and earnings growth, and individual targets, which are based on the Managing Director's specific area of responsibility and ESG (environmental, social, governance) factors.

The following chart illustrates the Short Term Incentive components and the weighting of the performance targets:



The weighting of the performance targets, the specific individual targets and the target values of all performance targets are determined by the Administrative Board before the respective financial year begins. The weighting of the performance targets is aligned to the respective area of responsibility of the Managing Director. For example, the Administrative Board may set Managing Directors with higher-level responsibilities such as CEO, Spokesperson for the Managing Directors, CFO or CTO a higher proportion of group targets than it would set for other Managing Directors who have direct responsibility for a specific business unit.

5.2.1.2. Short Term Incentive performance targets – group targets

Group targets which are found in the Short Term Incentives are derived from the corporate strategy of CompuGroup Medical and specifically include revenues and adjusted EBITDA.

- **Revenues** are a key performance indicator of CompuGroup Medical and make up 10 %–35 % of the total target achievement of the Short Term Incentive. 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.

- **Adjusted EBITDA** – i.e. earnings before interest, taxes, depreciation and amortization (EBITDA) – is also weighted at 10 %–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.

In addition to the target value (equivalent to a target achievement of 100 %), the Administrative Board sets both a threshold value and a maximum value.

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. Target achievement levels between the threshold and target value and between the target and maximum value are interpolated on a straight-line basis.

5.2.1.3. Short Term Incentive performance targets – individual targets

The individual targets are based on the specific duties of the Managing Director and are weighted between 30 % and 70 % within the Short Term Incentive, depending on the respective area of responsibility. They include both business area targets and ESG targets as well as, where appropriate, further group-wide performance targets based on several financial and non-financial performance criteria, so-called key performance indicators (KPIs). In addition to each individual target value (equivalent to a target achievement of 100 %), the Administrative Board sets both a threshold value and a maximum value, as well as deadline targets for certain milestones or other measurable parameters to be achieved. Based on these criteria, the degree of target achievement is determined for each target. 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 %.

- The **individual business area targets** place particular emphasis on success in the business unit for which the Managing Director is responsible. By taking into account individual performance targets, the Administrative Board is able to set targeted individual incentives for Managing Directors. These individual business area targets are derived from the segment strategy. Financial measures for the operating business of the respective segment are used as financial KPIs, such as revenue and adjusted EBITDA of the respective segment or business unit. The Administrative Board may determine a measure other than the financial performance measures stated in the reporting as a financial or non-financial KPI if such measure is a more suitable way of measuring CompuGroup Medical's long-term development. These individual business area targets may relate to the following categories or criteria, for example: business development, successful completion of key projects in their particular area (such as the development and rollout of strategic products or innovations or OneGroup tools, building an effective CTO organization or customer platform growth), successful execution of strategic restorations or investments, product development and innovation, improving customer satisfaction in a specific business unit, gaining market share, increasing efficiency, or successful execution of the business priorities in a particular financial year. 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. These may relate to the following categories or criteria, for example: the employee engagement index, corporate culture, sustainability and environmental protection, CO_2 performance/carbon-zero strategy, corporate social responsibility or promoting and improving data protection and information security, health protection, equality and diversity, increasing the share of female managerial staff or compliance. The Administrative Board may determine a measure other than the performance measures stated in the group report as a KPI if such measure is a more suitable way of measuring the long-term development of ESG at group level.

- Insofar as the individual targets include further **group targets** as performance targets, such targets are linked to the group-wide tasks and responsibilities of the Managing Director (and are therefore included to incentivize their individual performance at group level), such as the successful implementation of the group priorities in a particular year, the sustainable group strategy or transformation projects, as well as efficiency enhancement or liquidity planning at group level.

5.2.2. Long Term Incentive

The Long Term Incentive is generally granted in the form of share options, but may also, in individual cases, be replaced in whole or in part by another cash bonus with a multi-year performance period. By generally linking the Long Term Incentive to the price trend of CompuGroup Medical shares, the interests of the Managing Directors are aligned 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. Offering the possibility of replacing share options with a cash bonus takes account of the fact that Managing Directors have different duties and overall, departmental or divisional responsibilities and thus specifically promotes sustainable corporate development.

a. Share option program

If the Long Term Incentive is linked to the share option program, the Managing Directors receive subscription rights for registered shares of CompuGroup Medical ("Share Options").

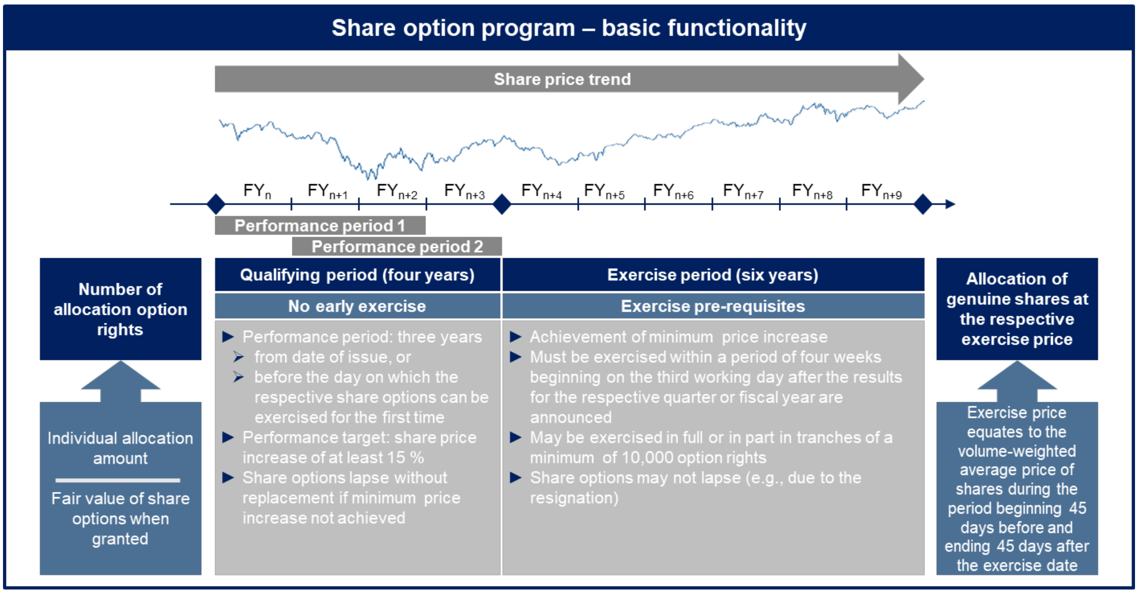
Share Options are granted either annually in several equal tranches or just once in a single tranche. Even in the case of a one-time grant, the Share Options are considered to be a Long Term Incentive for multiple years or the entire contractual term and are treated for the purposes of vesting periods, exercise conditions, forfeiture rules and for the determining the value in the context of the target remuneration package and the maximum remuneration as if they had been granted annually in equal tranches during the respective period.

The number of Share Options to be granted is agreed in individual contracts by specifying a concrete number of shares or an allotment amount. If 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, which is determined by the Administrative Board using standard market measurement methods.

In compliance with the respective waiting and exercise periods (see (ii) for details) and with the exercise conditions (see (iii) for details), the Managing Directors may exercise the Share Options at the respective exercise price (see (i) for details). 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 treasury shares, or in cash.

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 Incentive in the year prior to the granting of Share Options. Furthermore, 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 of the reallocation or extension of the waiting period of Share Options from previous periods of employment (extended lock-up).

The figure below illustrates the structure of the Long Term Incentive in the form of the share option program:



(i) 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 of the Frankfurt Stock Exchange[2] 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 allotment declaration).

(ii) 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 the Long Term Incentive for the financial years within the extended waiting period.

[2] Where reference is made to the XETRA system of the Frankfurt Stock Exchange in this remuneration system, this reference shall also include in each case any functionally comparable successor system that may replace the XETRA system.

(iii) Exercise conditions

One condition for exercising Share Options is that the price of the Company's share has increased by 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 (each a "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 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 final value for the calculation of the Minimum Share Price Increase is the respective volume-weighted average share price of the Company in XETRA on the Frankfurt Stock Exchange during the last three months prior to the expiry of the relevant three-year period.

The Administrative Board may raise the Minimum Share Price Increase to 20 % as a further performance target, which is to be measured either within the Performance Period or for the entire waiting 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 the Managing Director have not been forfeited because of the Managing Director leaving the Company (see 5.2.2 (v) below).

(iv) 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 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.

(v) Rules governing forfeiture on leaving the Company

On termination of an employment contract, all Share Options not yet awarded or granted for the period subsequent to the Managing Director leaving the Company are forfeited.

In the event of termination of an employment contract, Share Options already awarded will continue to operate in accordance with the original terms and conditions, provided that the Managing Director's contract has existed for at least two years and provided that the Share Options were awarded at least twelve months prior to the termination of the employment contract. These Share Options may be exercised in accordance with the framework of the rules of the share option program, unless the Managing Director

(i) resigns from office without good cause within the meaning of section 626 German Civil Code (BGB),
(ii) declines to accept an initial 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 their employment contract terminated by the Company for good cause within the meaning of section 626 (1) of the German Civil Code (BGB).

The Share Options already awarded can also 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.

b. Cash payment

If the granting of Share Options is replaced by a cash bonus, this is considered to be a target bonus system, as in the case of the Short Term Incentive, and is based on the same basic functionality (cf. 5.2.1). However, the performance targets, their weighting and the multi-year assessment period are determined individually by the Administrative Board at its due discretion before the start of the Performance Period and may relate to individual business targets in accordance with the business unit for which the Managing Director is responsible.

5.3. Special payments

Finally, the Administrative Board may grant one-off special payments to a Managing Director when taking up or renewing their contract or for exceptional achievements that promote the Company strategy in a particular manner (such as the successful implementation of a key project defined by the Administrative Board at its due discretion).

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 Short Term Incentive and the Long Term Incentive 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, depending on the reason for the departure, Share Options that have been awarded but cannot be exercised yet may be forfeited without compensation (see under 5.2.2 (v)).

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 employment contracts of the Managing Directors contain provisions on withholding Short Term Incentive components (malus) or reclaiming already paid out Short Term Incentive components (clawback), the exercise of which is at the reasonable discretion of the Administrative Board.

Such a reducing or withholding or reclaiming all or part of the Short Term Incentive 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").

- Moreover, the Administrative Board may adjust the assessment of the Short Term Incentive component, or reclaim, in whole or in part, Short Term Incentives 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 Incentive would have been due ("Performance Malus"/"Performance Clawback").

A reduction in the Short Term Incentive 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 Incentives 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 Incentives 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 remuneration and Short Term Incentive) paid in the last full financial year and potentially also on the total annual remuneration (both fixed remuneration and Short Term Incentive) 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 their employment contract by at least two more years from the date of this offer under at least comparable economic conditions. 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.

In case the 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 remuneration components and the Short Term Incentive up to the ordinary termination date of the employment contract, whereby the Short Term Incentive 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.

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 (excluding Fringe Benefits) and the last annual Short Term Incentive actually awarded.

Any severance payments will be offset against the compensation.

6.8. Incapacity for work, death and retirement

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

If the Managing Director dies or becomes permanently unable to work, the Fixed Salary and the Short Term Incentive 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.