



**Basler Aktiengesellschaft
Ahrensburg**

Report of the independent auditor on the audit of the
remuneration report in accordance with
§ Section 162 (3) AktG for the financial year
from January 1 to December 31, 2024



Deloitte GmbH
Auditing company

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Independent auditor's report on audit of the remuneration report in accordance with Section 162 (3) AktG

Remuneration report for the 2024 financial year

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**REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE REMUNERATION REPORT PURSUANT TO SECTION 162
PARA. 3 AKTG**

To Basler Aktiengesellschaft, Ahrensburg

Audit opinion

We have formally audited the remuneration report of Basler Aktiengesellschaft, Ahrensburg, for the financial year from January 1 to December 31, 2024 to determine whether the disclosures pursuant to section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the accompanying remuneration report includes in all material respects, the disclosures required by section 162 (1) and (2) AktG. Our audit opinion does not cover the content of the remuneration report.

Basis for the audit opinion

We conducted our audit of the remuneration report in accordance with § 162 Abs. 3 AktG and the *IDW Auditing Standard: The Audit of the Remuneration Report in Accordance with Section 162 (3) AktG (IDW PS 870 (09.2023))*. Our responsibilities under this requirement and this standard are further described in the "Auditor's Responsibilities" section of our report. As an audit practice, we have applied the requirements of the IDW Quality Management Standards. We have complied with the professional requirements of the German Public Auditors' Code and the Professional Code for German Public Auditors/Sworn Auditors, including the independence requirements.

Responsibility of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error (i.e. accounting fraud and fraudulent).

Responsibility of the auditor

Our objectives are to obtain reasonable assurance about whether the remuneration report includes in all material respects, the disclosures required by section 162 (1) and (2) AktG and to issue an auditor's report thereon.

We planned and performed our audit such that we can determine the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by section 162 (1) and (2) AktG. In accordance with § 162 Abs. 3 AktG, we have not audited the content accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.


Dealing with any misleading representations

In connection with our audit, our responsibility is to read the remuneration report in the light of our knowledge obtained in the audit and, in doing so, to consider whether the remuneration report includes misrepresentations with regard to the accuracy of the content of the information, the completeness of the individual disclosures or the fair presentation of the remuneration report.

If, based on the work we have performed, conclude that such a misrepresentation exists, we are required to report that fact. We have nothing to report in this .

Hamburg, March 27, 2025

Deloitte GmbH
Auditing company

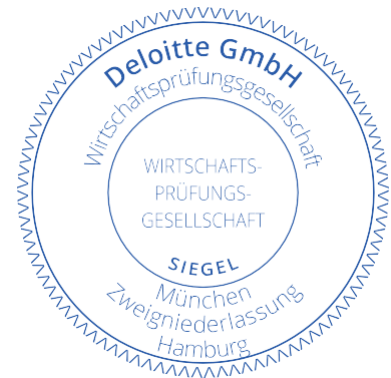
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Certified public accountant

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Christina Marquardt
Certified Public Accountant





Basler Aktiengesellschaft
Remuneration report for the 2024 financial year

I. Preliminary remarks

Pursuant to Section 162 AktG, the Management Board and Supervisory Board of Basler Aktiengesellschaft (hereinafter

"**Company**" and together with all (in)direct subsidiaries hereinafter referred to as the "**Company**".

"**Group**") must prepare an annual remuneration report, which must comply with certain statutory requirements. The auditors must check that the remuneration report contains all the information required by Section 162 (1) and (2) AktG and issue an audit opinion. The remuneration report audited by the auditors in this sense must be submitted to the Annual General Meeting for approval. This remuneration report explains the remuneration granted and owed to the current and former members of the company's Management Board and Supervisory Board in the 2024 financial year (hereinafter referred to as the "**reporting year**").¹

Like the remuneration reports for previous years, the remuneration report for the 2023 financial year was approved by a large majority of the company's shareholders at the Annual General Meeting on May 13, 2024. The Management Board and Supervisory Board see this as confirmation of the format used for the remuneration reports in the past. It will therefore largely be retained for this remuneration report for the reporting year.

The composition of the company's Management Board changed as follows during the reporting year: Mr. Alexander Temme (formerly Chief Commercial Officer (CCO)) left the Management Board at the end of the reporting year. There were no changes to the composition of the company's Supervisory Board during the reporting year.

II. General regulations on the remuneration of the Management Board

1. Approval of the remuneration system for the members of the Management Board by the shareholders

The remuneration system for the members of the company's Management Board described in more detail below was adopted by the company's Supervisory Board with effect from January 1, 2021; it was approved by the company's shareholders at the Annual General Meeting on May 19, 2021 with retroactive effect from January 1, 2021 and thus also applies to the reporting year (see Section 120a (1) sentence 1 AktG (old version)).

2. General principles of the remuneration system for members of the company's Management Board

The remuneration system for the members of the Management Board of Basler AG is geared towards sustainable and long-term corporate development. In this respect, it contributes to the promotion of the business strategy and the long-term development of the company. The system provides incentives for value-creating and long-term development of the company. The aim of the remuneration system is to remunerate the members of the Management Board appropriately in accordance with their duties and responsibilities, taking into account both the performance of the members of the Management Board and the economic situation and success of the company. The remuneration system should enable the determination of remuneration that is competitive by national and international standards and thus provide an incentive for committed and successful work. When determining the total remuneration, the Supervisory Board ensures that it is commensurate with the tasks and responsibilities of the company.

¹ Due to rounding it is possible that individual figures in this report do not add up exactly to the totals given and that the percentages shown do not exactly reflect the absolute values to which they relate.

performance of the Executive Board member and the situation of the company and does not readily exceed the usual remuneration.

The remuneration system of Basler AG provides for a fixed remuneration with additional fringe benefits. On the other hand, the remuneration system provides for performance-related variable remuneration with a multi-year assessment basis.

As part of the variable remuneration, the remuneration system provides for targets that are agreed for each year for the members of the Management Board. The target remuneration for the variable remuneration is derived from the determination of these targets in conjunction with the other provisions applicable to this remuneration component - assuming 100% target achievement. The target remuneration for variable remuneration, together with the fixed remuneration components, forms the total target remuneration for each member of the Management Board.

The target total remuneration depends, among other things, on:

- Tasks and responsibilities
- Performance
- Market conditions
- Economic situation of the company
- Success and future prospects of the company
- External comparative environment
- Internal remuneration structure

The total target remuneration is made up of the sum of all remuneration components relevant to the total remuneration. Variable remuneration is based on the target amount for 100% target achievement.

3. Overview of the remuneration system for the Management Board in the reporting year

In the reporting year, the remuneration granted and owed to the members of the Management Board in accordance with the remuneration system consisted of fixed and variable remuneration components.

For all members of the Management Board of Basler AG, including the Chairman of the Management Board, an equal percentage of the target total remuneration was defined, which serves as the basis for the calculation of the variable remuneration. This share of the variable remuneration was set at 25% of the target total remuneration.

The relative proportions of the fixed and variable remuneration components (in relation to the target total remuneration) are as follows:

The share of fixed remuneration is 75% of the target total remuneration plus fringe benefits and the share of long-term variable remuneration is 25% of the target total remuneration, provided that 100% of the annual targets are achieved.

The aforementioned percentages may deviate due to the granting of a portion of the target remuneration of the variable remuneration in shares and the development of the costs of the contractually agreed fringe benefits as well as in the case of any new appointments and in the case of the granting of any payments on the occasion of taking up office in the case of new appointments.

In the event that the Management Board service contract begins or ends during the year, both the fixed remuneration and the variable remuneration are only granted pro rata temporis.

3.1. Fixed remuneration components

3.1.1. Fixed remuneration - amount; target and relation to corporate strategy

Each member of the Management Board receives a non-performance-related fixed salary, which is paid in twelve equal monthly installments.

Together with the other remuneration components, the fixed remuneration components form the basis for attracting and retaining the highly qualified members of the Management Board required for the development and implementation of the corporate strategy.

Remuneration should be commensurate with the skills, experience and duties of the individual member of the Management Board. When determining the fixed remuneration, the Supervisory Board takes particular account of the aforementioned general principles.

The fixed remuneration of the members of the Executive Board amounted to

Board member	Fixed remuneration ² (in T€)
Dr. Dietmar Ley	321
Alexander Temme	257
Hardy Mehl	283

3.1.2. Fringe benefits

The members of the Management Board also receive fringe benefits. In addition to the reimbursement of reasonable expenses, these mainly consist of the provision of a company car that can also be used privately in accordance with current guidelines. Additional accident insurance is also taken out for each member of the Management Board. The tax burden resulting from these fringe benefits is borne by the respective Executive Board member. The fringe benefits are intended to supplement the fixed remuneration and include standard market benefits so that suitable candidates can be attracted to the company and retained in the long term.

The value of the respective company car and the insurance benefits that an individual member of the Management Board receives annually is taken into account as a fringe benefit as part of the maximum remuneration shown below.

3.2. Variable remuneration components

3.2.1. Objective and relation to corporate strategy; general approach

The remuneration system provides for performance-related variable remuneration (bonus), which depends on the achievement of financial performance criteria for the respective financial year and which is paid out over several years using a bonus bank to reflect the required sustainability and long-term nature and the multi-year assessment basis. Part of the bonus is granted to the members of the Executive Board in the form of shares in the company.

The variable remuneration components are intended to motivate the members of the Management Board to achieve ambitious and challenging financial, operational and strategic targets during a financial year. The targets reflect the corporate strategy and are aimed at sustainably increasing the value of the company. This is achieved in particular by linking them to the key performance indicators presented below.

² The members of the Executive Board waived 10% of their fixed salary for the reporting year due to economic developments.

3.2.2. Key figures for measuring success

The strategic objective of a profitable growth company and the fundamental decision in favor of equity-strong corporate financing lead to the measurement of corporate success according to profitability and growth.

The company considers consolidated earnings before taxes (EBT) in relation to consolidated sales to be a suitable indicator for measuring profitability.

$$\text{Profitability} = \frac{\text{EBT}}{\text{Group sales}}$$

The company considers the percentage increase in consolidated sales compared to the previous year to be a suitable indicator of growth.

$$\text{Group sales growth} = \frac{\text{Current Group sales} - \text{Previous year's Group sales}}{\text{Previous year's Group sales}}$$

EBT and consolidated sales are determined on the basis of the company's approved and audited consolidated financial statements for the respective financial year.

3.2.3. Performance criteria (targets)

Before the start of each financial year, the Supervisory Board agrees expected values as targets with the members of the Executive Board for both key figures (profitability and Group sales growth). The target for profitability is based on long-term profitability expectations and should very consistent over the years. The sales expectation also takes medium and short-term influences into account and will therefore fluctuate more strongly from year to year. What both key figures have in common is that they serve to ensure the ongoing implementation of operational and strategic goals, the achievement of which is essential for the long-term development of the company.

Before the start of each financial year, tolerance ranges are agreed for both key figures, which describe the range normal business performance. The tolerance should be measured in such a way that its lower benchmark value the transition from a fundamentally satisfactory to an unsatisfactory result. Conversely, the upper benchmark value describes the boundary between good and very good performance.

Linear functions for profitability and growth serve as a measure of target achievement: these functions show 100% target achievement if the values for profitability and growth determined according to the consolidated financial statements correspond exactly to the expected values. They show 0% target achievement if the expected values are undercut by the tolerance range. They become negative if the downward deviations are even greater.

Profitability and growth are equally important objectives. In cases of doubt, the requirement for profitability outweighs the need for steady growth. It should therefore not be possible to compensate for a lack of profitability with growth indefinitely, so that the degree of fulfillment for the growth target is capped at 400%. The degrees of fulfillment are weighted equally at 50% to 50%. The addition of the two correspondingly weighted degrees of fulfillment for profitability and growth results in the measure for the overall target achievement in the respective financial year.

The degree of fulfillment and thus the measure of overall target achievement is limited to -100% to +400%.

Subsequent changes to the defined performance criteria are excluded.

3.2.4. Bonus

The total target achievement (-100% to +400%) is multiplied by the variable portion of the target total remuneration defined above (25% of the agreed target total remuneration) and thus results in the bonus entitlement of the respective Executive Board member for the past financial year, measured in euros. Accordingly, the bonus entitlement can amount to between -25% of the target total remuneration (malus) and 75% of the target total remuneration.

If the agreed targets for profitability and growth are met on average over several years, the actual total remuneration is equal to the target total remuneration. If the targets are clearly missed on a sustained basis, only the fixed salary is paid out in the long term (75% of the target total remuneration). If the profitability and growth targets are significantly exceeded over several years, total remuneration gradually rises to a maximum of 175% of the target total remuneration.

The bonus entitlement calculated in this way is not paid out immediately. In order to demonstrate the required sustainability and long-term nature and multi-year assessment basis, the entitlements are paid out with a delay by means of a bonus bank and are subject to the interim risk of a reduction - even a substantial one - due to a subsequent deterioration in performance. A separate account is kept for each Executive Board member's bonus entitlements.

The bonus or penalty calculated for the previous financial year is posted to the individual account. Taking into account an old balance, this results in a current account balance. If this account balance is positive, one third of the balance is paid out. Two thirds are carried forward and taken into account in the following year. Negative balances must be compensated by positive balances or bonus deposits before payments can be made from the bonus bank.

The payment amount is due for payment shortly after the approval of the consolidated financial statements, at the earliest with the payment of the salary for the month of March.

If the appointment to the Management Board ends with a negative balance in the bonus bank of the respective Management Board member, this is settled by the company. In return, in the event of a positive balance, the employment contracts stipulate that this balance initially remains in the bonus bank and is therefore subject to the risk of reduction in subsequent years, analogous to the entitlement calculations of the remaining Executive Board members in these years. However, no new positive entitlements are transferred to the bonus bank after the departure of the Executive Board member. Payments from the bonus bank are made on the regular dates applicable to the remaining members of the Management Board. One third of the balance existing at the time of payment is paid out on each of the two regular dates following the departure of the Executive Board member and the remaining balance is paid out on the third regular date.

3.2.5. Granting of shares

In order to create a special performance incentive for the members of the Management Board and to motivate them to work on increasing the value of the company in the long term, the Supervisory Board has decided to grant the members of the Management Board a portion of the bonus in shares of the company at a fixed issue amount on the basis of a share plan. Subject to any adjustment on the basis of anti-dilution provisions, this corresponds to the average closing auction price of the company's shares in Xetra trading on the sixty (60) trading days in Frankfurt am Main prior to the date of the Supervisory Board's resolution on the currently valid share plan, but at least the pro rata amount of the share capital attributable to one share. According to the share plan, 50% of the variable remuneration above 100% target achievement is to be granted in shares and transferred to the bonus bank (in the form of a virtual share deposit account). The

Effective delivery and transfer of the shares takes place in the same way as the payment of variable remuneration in cash, with one third corresponding to the level of the virtual share deposit. The share plan originally had a term for the years 2021 to 2024 inclusive and was not initially extended beyond this. Any new agreement is to be reserved for the new remuneration system to be presented to the company's Annual General Meeting on May 23, 2025. In view of the bonus bank, no further lock-up period for holding the shares was provided for.

3.2.6. Exceptional developments

The Supervisory Board of the company has the following options for dealing with and taking account of extraordinary developments (e.g. economic or corporate crises, pandemics, natural disasters, etc.):

- Delayed payout from the bonus bank (and the virtual share deposit account)
- Special allocations to the bonus bank (and the virtual share portfolio), limited to a maximum of 50% of the total annual target remuneration less fringe benefits granted per year

4. Maximum remuneration for members of the Management Board

The total remuneration to be granted for a financial year (maximum expense amount of all remuneration amounts spent for the financial year in question, including fixed annual salary, fringe benefits, variable remuneration components, any special allocations to the bonus bank, but excluding any termination benefits) of the members of the Management Board - regardless of whether it is paid out in this financial year or at a later date - is capped. The theoretical maximum remuneration is € 1,100,000 for the Chairman of the Management Board and € 935,000 for each of the ordinary members of the Management Board. The target salary including fringe benefits is less than half of this maximum remuneration. The limits also apply to new members of the Management Board.

5. Benefits in the event of termination of the Management Board service contract

The remuneration system provides for a severance payment cap. Accordingly, it is agreed that payments in the event of premature termination of a Management Board member's contract without good cause are limited to the value of two years' remuneration and may not exceed the sum of the entitlements during the remaining term of the employment contract. The remuneration system does not include a special provision for a severance payment in the event of a change of control.

III. Individual remuneration of the members of the Management Board in the reporting year

1. Determination of variable remuneration

The variable remuneration granted and owed to the members of the Executive Board in the reporting year relates to the payments from the bonus bank as at December 31, 2023 (after the additions for the 2023 financial year). However, as explained above, the balance includes not only the variable remuneration for the 2023 financial year, but also that for previous financial years. In view of the three-year period for the allocation of the respective variable remuneration to the bonus bank, the Management Board and Supervisory Board consider it appropriate to include a period three years prior to the respective reporting year in the following presentation with regard to the achievement of the targets (performance criteria).

On this basis, the following results in relation the achievement of the targets:

Rated variable	Calculation	Target	Tolerance specification	Actual values	Degree of fulfillment
2021					
Profitability	EBT / consolidated sales	8,5%	± 2,0%	13,02%	325,97%
Group sales growth	(consolidated sales / previous year's consolidated sales) - 1	4,0%	± 5,0%	25,97%	400% (capping)
Overall target achievement	(fulfillment level of Group sales growth x 50%)+ (fulfillment level of profitability x 50%)				362,99%
2022					
Profitability	EBT / consolidated sales	10,0%	± 2,0%	10,41%	120,40%
Group sales growth	(consolidated sales / previous year's consolidated sales) - 1	21,0%	± 5,0%	26,77%	215,33%
Overall target achievement	(fulfillment level of Group sales growth x 50%)+ (fulfillment level of profitability x 50%)				167,86%
2023³					
Profitability	EBT / consolidated sales	-	-	-	-
Group sales growth	(consolidated sales / previous year's consolidated sales) - 1	-	-	-	-
Overall target achievement	(fulfillment level of Group sales growth x 50%)+ (fulfillment level of profitability x 50%)				-

Based on these targets, the following variable remuneration was granted and owed to the members of the Executive Board in office in the reporting year:

	Dr. Dietmar Ley	Alexander Temme	Hardy Mehl
Target salary 2023	475.719,€	380.575,€	418.633,€
Share Variable	25%	25%	25%
Variable Absolute ⁴	0,€	0,€	0,€
Special allocation as overfulfillment	0,€	0,€	0,€
<i>Over/underfulfillment</i>	-118.929,€	-95.143,€	-104.658,€
Share quota	50%	50%	50%
Share price according to share program	19,€	19,€	19,€
Bonusbank cash 01.01.2023	493.058,€	241.285,€	445.953,€
Bonusbank shares 01.01.2023	8.216	5.097	7.671
Cash payment January 2024 ⁵	-164.346,€	-80.428,€	-148.651,€
Allocation of shares 2023	-2.739	-1.699	-2.557
Allocation Variable 2023	0,€	0,€	0,€
<i>thereof cash</i>	0,€	0,€	0,€
<i>of which shares</i>	0	0	0
Bonus bank 31.12.2023	432.829,€	225.452,€	394.519,€
<i>thereof cash</i>	328.712,€	160.856,€	297.302,€
<i>of which shares</i>	5.477	3.398	5.114
Amounts paid out March 2024	144.276,€	75.150,€	131.506,€
<i>thereof cash payment 2024</i>	109.564,€	53.612,€	99.094,€
<i>of which allocation of shares 2024</i>	1.826	1.133	1.705

³ On March 29, 2023, at the initiative of the Management Board, the Supervisory Board and the Management Board agreed that, due to the economic development, the variable salary component of 25% of the target salary normally provided for in the remuneration system for the Management Board and initially to be included in the bonus bank would be waived without replacement; therefore, no assessment figures were determined/determined for the 2023 financial year.

⁴ See footnote 3.

⁵ With regard to the *cash* payments from the bonus bank, which are generally due shortly after approval of the consolidated financial statements for the 2022 financial year, a deferral until January 2024 was agreed between the company and the respective member of the Management Board in order to protect the company's liquidity.

For Arndt Bake, who left the company's Executive Board on December 31, 2023, this resulted in the following payment from the bonus bank and allocation of shares in the company in the reporting year due to his previous Executive Board activities:

	Arndt Bake
Target salary 2023	380.575,€
Share Variable	25%
Variable Absolute ⁶	0,€
Special allocation as overfulfillment	0,€
<i>Over/underfulfillment</i>	-95.143,€
Share quota	50%
Share price according to share program	19,€
Bonusbank cash 01.01.2023	404.907,€
Bonusbank shares 01.01.2023	6.858
Cash payment January 2024 ⁷	-134.969,€
Allocation of shares 2023	-2.286
Allocation Variable 2023	0,€
<i>thereof cash</i>	0,€
<i>of which shares</i>	0
Bonus bank 31.12.2023	356.851,€
<i>thereof cash</i>	269.938,€
<i>of which shares</i>	4.572
Amounts paid out March 2024	118.950,€
<i>thereof cash payment 2024</i>	89.979,€
<i>of which allocation shares 2024</i>	1.524

⁶ See footnote 3.

⁷ See footnote 5.

2. Remuneration granted and owed

2.1. Tabular presentation

The following tables show the remuneration granted and owed within the meaning of the § Section 162 para. 1 sentence 1 AktG for the reporting year. This the remuneration received in the reporting year as well as remuneration that is due according to legal categories but has not (yet) been received.

Dr. Dietmar Ley Chief Executive Officer (CEO) Date joined: 1998				
Type of grant	2024 (in T€)	2024 (in %)	2023 (in T€)	2023 (in %)
Fixed remuneration	3218	67,2	357	60,9
Fringe benefits	12	2,5	12	2,0
Total	333	69,7	369	63,0
Variable remuneration / payment from bonus bank	144	30,1	2169	36,9
thereof in shares	1,826 shares at€ 19.01		2,739 shares at€ 19.01	
Total	477	99,8	585	99,8
Pension expenses ¹⁰	1	0,2	1	0,2
Total remuneration	478	100,0	586	100,0

Alexander Temme Chief Commercial Officer (CCO) Entry date: 2021 / Exit date: end of 2024				
Type of grant	2024 (in T€)	2024 (in %)	2023 (in T€)	2023 (in %)
Fixed remuneration	257	74,5	285	69,3
Fringe benefits	12	3,5	12	2,9
Total	269	78,0	297	72,3
Variable remuneration / payment from bonus bank	75	21,7	113	27,5
of which in shares:	1,133 shares at€ 19.01		1,699 shares at€ 19.01	
Total	344	99,7	410	99,8
Pension expense	1	0,3	1	0,2
Total remuneration	345	100,0	411	100,0

⁸ See footnote 2. The same applies to the other members of the Management Board.

⁹ See footnote 5 The amounts are recognized as remuneration granted and owed in the 2023 financial year within the meaning of the § Section 162 para. 1 sentence 1 AktG are included in the presentation. The same applies to the other members of the Management Board.

¹⁰ These are payments as part of the company pension scheme. The same applies to the other members of the Executive Board.

Hardy Mehl Chief Financial Officer (CFO) and Chief Operating Officer (COO) Date joined: 2014				
Type of grant	2024 (in T€)	2024 (in %)	2023 (in T€)	2023 (in %)
Fixed remuneration	283	63,5	314	57,8
Fringe benefits	30	6,7	31	5,7
Total	313	70,2	345	63,5
Variable remuneration / payment from bonus bank	132	29,6	197	36,3
of which in shares:	1,705 shares at€ 19.01		2,557 shares at€ 19.01	
Total	445	99,8	542	99,8
Pension expense	1	0,2	1	0,2
Total remuneration	446	100,0	543	100,0

2.2. Miscellaneous

Alexander Temme, who left the company's Management Board at the end of the reporting year, also received a severance payment of € 685 thousand in the reporting year for the premature termination of his employment.

2.3. Reclaiming variable remuneration components / compliance with maximum remuneration

No use was made of the option to reclaim variable remuneration components in the reporting period. As can be seen from the above presentation of the individual remuneration of the members of the Management Board in detail, the maximum remuneration stipulated in the remuneration system (see section II. 4. above) was complied with in each case with regard to the remuneration granted and owed in the reporting year.

2.4. Deviations from the remuneration system

In accordance with Section 162 para. 1 sentence 2 no. 5 AktG, the remuneration report must contain information on deviations from the remuneration system of the Management Board, including an explanation of the necessity of the deviations and the specific components of the remuneration system from which deviations were made.

Due to economic developments, the members of the Management Board voluntarily reduced their fixed salary for the reporting year by 10% to 90%.

2.5. Comparative presentation of the remuneration and earnings development for the members of the Management Board

	Remuneration granted and owed in 2024	Remuneration granted and owed in 2023	Change 2024 compared to 2023		Change 2023 compared to 2022		Change 2022 compared to 2021		Change 2021 compared to 2020	
	in T€	in T€	in T€	in %	in T€	in %	in T€	in %	in T€	in %
Members of the Management <small>Board¹¹</small>										
Dr. Dietmar Ley	478	586	-108	-18,4	53	9,9	2	0,4	32	6,4
Alexander Temme	345	411	-66	-16,1	22	5,7	70	21,9	319	<i>n/a</i> ¹²
Hardy Mehl	446	543	-97	-17,9	-6	-1,1	98	21,7	16	3,7
Employees										
	in T€	in T€	in T€	in %	in T€	in %	in T€	in %	in T€	in %
Ø Employees of Basler ^{AG¹³}	75,3	78,7 ¹⁴	-3,4	-4,3%	2,8	3,7	2,4	3,3	-1,4	-1,9
Earnings development										
	in T€	in T€	in T€	in %	in T€	in %	in T€	in %	in T€	in %
Pre-tax result Basler AG	4.327	-11.047	15.374	139,2	-39.708	-138,5	25.983	970,2	-2.081	-43,7
Group pre-tax result	-11.996	-20.171	8.175	40,5	-48.502	-171,2	375	1,3	7.542	36,9

¹¹ For information on former members of the Management Board, refer to the remuneration reports for the corresponding previous years.

¹² Mr. Temme joined the Executive Board on 01.01.2021.

¹³ Calculated on the basis of all FTEs, excluding members of the Management Board, senior executives and sales *employees* with variable remuneration components.

¹⁴ In the previous year, one-off severance payments as part of the cost-cutting program had to be taken into account.

IV. General regulations on the remuneration of the Supervisory Board

1. Approval of the remuneration system for the members of the Supervisory Board by the shareholders

The system for the remuneration of Supervisory Board members set out in Section 12 of the company's Articles of Association and described in more detail below in accordance with Section 113 para. 3 AktG was confirmed by resolution of the Annual General Meeting on May 19, 2021 and supplemented by a resolution of the Annual General Meeting on May 23, 2022 to include an attendance fee of € 1.0 thousand per Supervisory Board and committee meeting, starting with the 2022 financial year. By resolution of the Annual General Meeting on May 26, 2023, the payment method for the remuneration of Supervisory Board members was then modified (exclusively). This was previously paid in arrears after the end of a financial year and in future (pro rata) in arrears after the end of each quarter. To this end, Section 12 (1) sentence 1 of the company's Articles of Association was revised and a new paragraph 4 was added to Section 12 of the company's Articles of Association.

2. General principles of the remuneration system for members of the company's Supervisory Board

In accordance with Article 12 of the company's Articles of Association, the amount of annual remuneration for Supervisory Board members is determined by the Annual General Meeting. Due to its market-oriented structure, the Supervisory Board remuneration makes it possible to attract suitable candidates for the office of Supervisory Board member. In this way, the Supervisory Board remuneration to ensure that the Supervisory Board as a whole can properly and competently perform its duties to monitor and advise the Management Board, thus promoting the company's business strategy and long-term development. In accordance with the suggestion in G.18 sentence 1 GCGC, only fixed remuneration components and reimbursement of expenses are provided for, i.e. 100%, and not performance-related remuneration elements. The fixed remuneration strengthens the independence of the Supervisory Board members in the performance of their supervisory duties and thus also contributes to the long-term development of the company. When calculating the fixed remuneration, the expected time required to perform the office and the practice in companies of comparable size, sector and complexity are taken into account.

3. Goal and relation to corporate strategy

The aim is to attract and retain highly qualified members of the Supervisory Board. This promotes the efficiency of the Supervisory Board's work and the long-term development of the company. The remuneration described below strengthens the independence of Supervisory Board members in the performance of their supervisory duties and thus makes an indirect contribution "to the long-term development of the company" (see Section 87a para. 1 sentence 2 no. 2 AktG). At the same time, it incentivizes Supervisory Board members to proactively work to "promote the business strategy" (see Section 87a para. 1 sentence 2 no. 2 AktG) by appropriately taking into account the greater time commitment of the Chairman, who is particularly closely involved in discussing strategic issues (see D.5 GCGC), and the Deputy Chairman of the Supervisory Board as well as the Chairman and members of committees, in accordance with the recommendation in G.17 GCGC.

4. Remuneration components

The members of the Supervisory Board are paid remuneration for their activities in accordance with the following regulations until a resolution to the contrary is passed by the Annual General Meeting:

Each member of the Supervisory Board receives fixed remuneration of € 16.5 thousand after the end of a financial year; the Chairman of the Supervisory Board receives fixed annual remuneration of € 49.5 thousand and the Deputy Chairman of the Supervisory Board receives € 24.5 thousand.

The members of the Supervisory Board receive additional remuneration for their work on the Supervisory Board committees:

- The additional remuneration for the Chairwoman of the Audit Committee amounts to € 19.8 thousand and € 6.6 thousand for each other member of the Audit Committee.
- The additional remuneration for the Chairman of the Nomination Committee amounts to € 7.4 thousand (rounded) and for each other member of the Nomination Committee to € 2.5 thousand (rounded).
- The additional remuneration for the Chairman of another committee amounts to € 7.4 thousand (rounded) and for each other member of such a committee to € 2.5 thousand (rounded).
- Any value added tax incurred is reimbursed separately insofar as the members of the Supervisory Board are entitled to invoice the company separately for value added tax and exercise this right.

In addition, Supervisory Board members receive an attendance fee of € 1.0 thousand for each Supervisory Board and committee meeting; Supervisory Board members are also reimbursed for their expenses.

If a Supervisory Board member is a member or chairman of several committees at the same time, he or she receives additional remuneration for each committee activity.

Supervisory Board members who are not members of the Supervisory Board or a committee for a full financial year or who have not held the position of (deputy) chair for a full financial year receive pro rata remuneration for each calendar month or part thereof of the corresponding activity; in the case of committee activities, this presupposes that the committee has met during the corresponding period.

V. Remuneration of the Supervisory Board in the reporting year

1. Total remuneration granted and owed to the Supervisory Board

in € thousand (rounded)	2024	2023	2022	2021
Basic remuneration	140,0	136,1	140,0	140,0
Remuneration for committee activities	45,4	45,4	45,4	45,4
Attendance fees	47,0	45,0	45,0	n/a
Total	232,4	226,5	230,4	185,4

2. Individual remuneration granted and owed to the Supervisory Board

Member of the Supervisory Board	Basic remuneration		Remuneration for Committee activity in T€		Attendance fees		Total in € thousand (rounded)
	in T€	in %	(rounded)	in %	in T€	in %	
Norbert Basler	49,5	68,3	14,0	19,3	9,0	12,4	72,5
Horst W. Garbrecht	24,5	72,1	2,5	7,4	7,0	20,6	34,0
Prof. Dr. Mirja Steinkamp	16,5	34,5	22,3	46,7	9,0	18,8	47,8
Lennart Schulenburg	16,5	53,1	6,6	21,2	8,0	25,7	31,1
Tanja Schley	16,5	70,2	0	0,0	7,0	29,8	23,5
Alexander Jüm	16,5	70,2	0	0,0	7,0	29,8	23,5

3. Comparative presentation of the remuneration and earnings development for the members of the Supervisory Board

	Remuneration granted and owed in 2024 in T€	Remuneration granted and owed in 2023 in T€	Change 2024 compared to 2023		Change 2023 compared to 2022		Change 2022 compared to 2021		Change 2021 compared to 2020	
			in T€	in %	in T€	in %	in T€	in %	in T€	in %
Members of the Supervisory Board ¹⁵										
Norbert Basler	72,5	72,5	0	0	0	0	9,0	14,2	4,7	8,0
Horst W. Garbrecht	34,0	34,0	0	0	3, ²¹⁵	10, ⁴¹⁶	11,8	62,1	1,2	6,7
Prof. Dr. Mirja Steinkamp	47,8	47,8	0	0	1,0	2,1	10,5	28,9	4,8	15,2
Lennart Schulenburg	31,1	31,1	0	0	11, ¹¹⁶	55, ⁵¹⁷	20,0	n/a	n/a	n/a
Tanja Schley	23,5	13,9	9, ⁶¹⁷	69, ¹¹⁸	13,9	n/a	n/a	n/a	n/a	n/a
Alexander Jürn	23,5	13,9	9, ⁶¹⁸	69, ¹¹⁹	13,9	n/a	n/a	n/a	n/a	n/a
Employees	in T€	in T€	in T€	in %	in T€	in %	in T€	in %	in T€	in %
Ø Employees of Basler ^{AG20}	75,3	78, ⁷²¹	-3,4	-4,3%	2,8	3,7	2,4	3,3	-1,4	-1,9
Earnings development	in T€	in T€	in T€	in %	in T€	in %	in T€	in %	in T€	in %
Pre-tax result Basler AG	4.327	-11.047	15.374	139,2	-39.708	-138,5	25.983	970,2	-2.081	-43,7
Group pre-tax result	-11.996	-20.171	8.175	40,5	-48.502	-171,2	375	1,3	7.542	36,9

¹⁵ For information on former members of the Supervisory Board, refer to the remuneration reports for the corresponding previous years.

¹⁶ The increase is due to the fact that Mr. Garbrecht the position of Deputy Chairman of the Supervisory Board for a full year for the first time in the 2023 financial year.

¹⁷ The increase is due to the fact that Mr. Schulenburg only a member of the Supervisory Board for just over seven months in the 2022 financial year.

¹⁸ The increase is due to the fact that Ms. Schley only a member of the Supervisory Board for just over seven months in the 2023 financial year.

¹⁹ The increase is due to the fact that Mr. Jürn only a member of the Supervisory Board for just over seven months in the 2023 financial year.

²⁰ See footnote 13.

²¹ See footnote 14.

**General terms and conditions
for auditors and auditing companies
from January 1, 2024**

Scope of application

The engagement terms apply to contracts between auditors, auditors or auditing firms (hereinafter collectively referred to as "auditors") and their clients for audits, tax advice, advice on business matters and other engagements, unless otherwise expressly agreed in text form or required by law.

Third parties may only derive claims from the contract between the auditor and the client if this has been agreed or results from mandatory statutory provisions. With regard to such claims, these engagement terms also apply to these third parties. The auditor is also entitled to raise defenses and objections from the contractual relationship with the client against third parties.

Scope and execution of the order

The object of the engagement is the agreed service, not a specific economic result. The engagement is carried out in accordance with the principles of proper professional practice. The auditor does not assume any management tasks in connection with his services. The auditor is not responsible for the use or implementation of the results of his services. The auditor is authorized to use the services of competent persons to carry out the engagement.

The consideration of foreign law requires - except in the case of business audits - an express agreement in text form.

If the factual or legal situation changes after the submission of the final report, the auditor is not obliged to draw the client's attention to any changes or resulting consequences.

Cooperation with the client

The client must ensure that the auditor is provided with all documents and other information necessary for the performance of the engagement in a timely manner and that the auditor is made aware of all events and circumstances that may be of significance for the performance of the engagement. This also applies to the documents and other information, processes and circumstances that first become known during the course of the auditor's work.

At the auditor's request, the client must confirm the completeness of the documents and other information provided, as well as the information and explanations given, in a declaration formulated by the auditor in statutory written form or in another form determined by the auditor.

Securing independence

The client must refrain from doing anything that jeopardizes the independence of the auditor's employees. This applies in particular to offers to take on or assume board functions and to offers to take on engagements for the auditor's own account for the duration of the engagement.

If the performance of the engagement affects the independence of the auditor, its affiliated companies, its

network companies or companies associated with it, to which the independence rules apply in the same way as to the auditor, in other engagement relationships, the auditor is entitled to terminate the engagement without notice.

Reporting and oral information

Insofar as the auditor is required to present results in written or text form within the scope of the engagement, only this presentation shall be authoritative.

Unless otherwise provided for by law or contractually agreed, oral declarations and statements made by the auditor are only binding if they are confirmed in text form; declarations and statements made by the auditor outside the engagement are always non-binding.

Disclosure of a statement by the auditor

The disclosure of the auditor's professional statements (work results or excerpts of work results - whether in draft or final form) or information about the auditor's work for the client to a third party requires the auditor's consent in text form, unless the client is obliged to disclose or provide information on the basis of a law or an official order.

The client is not permitted to use the auditor's report and information about the auditor's work for the client for advertising purposes.

Remedy of defects

In the event of minor defects, the client shall be entitled to subsequent performance by the auditor. If the order has not been placed by a consumer, the client may only withdraw from the contract due to a defect if the service provided is of no interest to him due to failure, omission, unreasonableness or impossibility of subsequent performance. Insofar as claims for damages exist beyond this, No. 9 shall apply.

A claim for subsequent performance under para. 1 must be asserted by the client immediately in text form. Claims for subsequent performance under para. 1 that are not based on intentional action shall expire one year after the statutory limitation period begins.

Obvious inaccuracies, such as typographical errors, miscalculations and formal deficiencies contained in an auditor's statement (report, expert opinion, etc.) may be corrected by the auditor at any time, even to third parties that are likely to call into question the results contained in

the auditor's report entitle the auditor to withdraw the report from third parties. In the aforementioned cases, the client must be consulted by the auditor in advance.

Confidentiality towards third parties, data protection

In accordance with the law (Section 323 (1) HGB, Section 43 WPO, Section 203 StGB), the auditor is obliged to maintain secrecy about facts and circumstances that are entrusted to him or become known to him in the course of his professional activity, unless the client releases him from this obligation of secrecy.

The auditor shall comply with national and European data protection regulations when processing personal data.

Liability

For legally prescribed services of the auditor, in particular audits, the applicable statutory limitations of liability, in particular the limitation of liability of the auditor, apply.

§Section323(2)HGB.

Unless a statutory limitation of liability applies

If there is no individual contractual limitation of liability, the client's claim arising from the contractual relationship between him and the auditor for compensation for damage caused by negligence, with the exception of damage resulting from injury to life, limb and health and damage that justifies the manufacturer's liability for compensation under Section 1 of the German Product Liability Act (ProdHaftG), is limited to million in accordance with Section 54a (1) No. 2 WPO. €The same applies to claims asserted against the auditor by third parties arising from or in connection with the contractual relationship.

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Several claimants derive claims from the contractual relationship with the auditor due to the auditor's negligence of duty, the maximum amount specified in paragraph 2 applies to the claims of all claimants.

The maximum amount according to para. 2A single case of damage also applies to uniform damage resulting from several breaches of duty. A single case of damage includes all consequences of a of irrespective of whether the damage occurred in one or several consecutive years. In this case, multiple actions or omissions based on the same or similar errors are deemed to be a single duty if the matters in question are legally or economically related to each other. In this case, the auditor may be held liable up to an amount of € 5 million.

A claim for damages shall lapse if no action is brought within six months of the refusal of compensation declared in text form and the client has not been informed of this consequence. This does not apply to claims for damages that are attributable to intentional conduct, nor to culpable injury to life, limb or health, nor to damage that gives rise to a compensation the under Section 1 of the Product Liability Act (ProdHaftG).

§Section 323 HGB remains unaffected by the provisions in paragraphs 2 to 5.

main published case law and administrative.

¶ If the auditor receives a flat fee for ongoing tax advice, then, in the absence of any other agreements in text form, the activities mentioned in paragraphs 3(d) and (e) shall be charged separately.

1. Supplementary provisions for audit assignments

¶ If the client subsequently amends the financial statements or management report audited by the auditor and provided with an audit opinion, the auditor may not continue to use this audit opinion.

If the auditor has not issued an audit opinion, a reference to the audit carried out by the auditor in the management report or in other places intended for the public is only permitted with the auditor's consent in the statutory written form and with the wording approved by the auditor.

If the auditor withdraws the audit opinion, the audit opinion may no longer be used. If the client has already used the audit opinion, he must disclose the withdrawal at the request of the auditor.

¶ The client is entitled to five copies of the report; further copies will be invoiced separately.

2. Supplementary provisions for assistance in tax matters

¶ The auditor is authorized to assume that the facts stated by the client, in particular figures, are correct and complete, both in the case of advice on individual tax issues and in the case of ongoing advice; this also applies to accounting assignments; however, he must point out to the client any material inaccuracies identified by him.

¶ The tax advisory engagement does not include the actions required to meet deadlines, unless the auditor has expressly accepted the engagement for this purpose, in which case the client must submit to the auditor documents essential for meeting deadlines, in particular tax assessments, in good time so that there is sufficient time to process them.

¶ In the absence of any other agreement in text form, the following tax consultancy services are included in the term of the contract:

- a) Preparation and electronic transmission of annual tax returns, including balance sheets, for income tax, corporation tax and trade tax, on the basis of the annual financial statements to be submitted by the client and other records and evidence required for taxation purposes
- b) Review of tax assessments for the taxes mentioned under a) above
- c) Negotiations with the tax authorities in connection with the declarations and decisions mentioned under a) and b) above
- d) Participation in tax audits and evaluation of the results of tax audits with regard to the taxes mentioned under (a)
- e) Participation in objection and appeal proceedings with regard to the taxes mentioned under (a).

In both of the above tasks, the auditor takes into account the

⌘ If the auditor is also a tax advisor and the Tax Advisor Remuneration Ordinance is to be applied for the measurement of the remuneration, a higher or lower remuneration than the statutory remuneration may be agreed in text form.

⌘ The handling of special individual issues relating to income tax, corporation tax, trade tax and unitary valuation as well as issues relating to turnover tax, wage tax, other taxes and duties is based on a special mandate.

⌘ The processing of calendar tax matters, e.g. at in the area of inheritance tax and land transfer tax,

⌘ participation and representation in proceedings before the courts of fiscal and administrative jurisdiction as well as in criminal tax matters,

⌘ advisory and expert opinions in connection with reorganizations, capital increases and decreases, restructuring, entry and exit of a shareholder, sale of a business, Liquidation and the like and

⌘ support in the fulfillment of reporting and documentation obligations.

⌘ Insofar as the preparation of the annual VAT return is also taken on as an additional activity, this does not include the review of any special accounting requirements or the question of whether all eligible VAT benefits have been taken advantage of. A guarantee for the complete recording of the documents for the purpose of making the input tax deduction is not assumed.

⌘ **Electronic communication**

⌘

⌘ Communication between the German Public Auditor and the client may also take place by e-mail. If the client does not wish to communicate by e-mail or has special security requirements, such as the encryption of e-mails, the client shall inform the German Public Auditor accordingly in text form.

⌘

⌘ **Remuneration**

⌘ In addition to his fee or fee claim, the auditor is entitled to reimbursement of his expenses; VAT will be charged additionally. It may demand reasonable advances on remuneration and reimbursement of expenses and make the delivery of a service dependent on the full satisfaction of his claims. Several clients are jointly and severally liable.

⌘ If the client is not a consumer, offsetting against the auditor's claims for remuneration and reimbursement of expenses is only permitted with undisputed or legally established claims.

⌘

⌘ **Dispute settlements**

⌘ The auditor is not prepared to participate in dispute resolution proceedings before a consumer arbitration board within the meaning of Section 2 of the German Consumer Dispute Resolution Act.

⌘

⌘ **Applicable law**

⌘ Only German law shall apply to the order, its execution and the resulting claims.