

# **Basler Stock Corporation**

## **Remuneration Report for the Financial Year 2023**

### **I. Preliminary Notes**

Pursuant to Section 162 of the German Stock Corporation Act (AktG), the Management Board and the Supervisory Board of Basler Aktiengesellschaft (hereinafter referred to as the "**Company**" and, together with all (direct and indirect) subsidiaries, the "**Basler Group**") are required to prepare an annual compensation report that must comply with certain legal requirements. The Independent Auditor<sup>1</sup> is required to verify that the Compensation Report contains all information required by Section 162 (1) and (2) of the Austrian Stock Corporation Act and to issue an audit opinion. The compensation report thus audited by the auditor must be submitted to the General Meeting for approval. This Remuneration Report explains the remuneration granted and owed<sup>2</sup> to the current and former members of the Management Board and the Supervisory Board of the Company in the fiscal year 2023 (hereinafter referred to as the "**Reporting Year**").

As with the remuneration report for the 2021 financial year at the Annual General Meeting on May 23, 2022, the remuneration report for the 2022 financial year was also approved by a large majority of the company's shareholders at the Annual General Meeting on May 26, 2023. The Management Board and Supervisory Board see this as confirmation of the format used for the remuneration reports for the 2021 and 2022 financial years. It will therefore largely be retained for this remuneration report for the reporting year.

The following changes were made to the composition of the company's Management Board and Supervisory Board during the reporting year:

- Mr. Arndt Bake (formerly Chief Marketing Officer (CMO)) left the Executive Board at the end of the reporting year.
- Ms. Dorothea Brandes and Dr. Marco Grimm as employee representatives left the Supervisory Board; Ms. Tanja Schley and Mr. Alexander Jürn joined the Supervisory Board in their place.

### **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, which is 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.

#### **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 according to their duties and responsibilities, taking into account both the performance of the members of the Management Board

---

<sup>1</sup> For ease of reading, this report uses the masculine form when referring to persons. It is representative of persons of all genders.

<sup>2</sup> Due to rounding, sums of figures in this report may not add up precisely to totals and percentages may not correspond exactly to the absolute values to which they refer.

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 in an appropriate relationship to the tasks and performance of the Management Board member as well as to the situation of the company and does not easily exceed the usual remuneration.

The remuneration system of Basler AG provides for a fixed remuneration on the one hand, which is supplemented by 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 determined by setting 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 Management Board member.

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 target total 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 shares 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 proportions 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 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 ensuring that the highly qualified members required for the development and implementation of the corporate strategy can be recruited and retained for the Management Board.

The remuneration should correspond to the skills, experience and tasks 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 Management Board in the reporting year amounted to

Member of the Management Board	Fixed remuneration (in € thousand)
Dr. Dietmar Ley	357
Alexander Temme	285
Arndt Bake	285
Hardy Mehl	314

#### 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 Management 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 Management Board in the form of shares in the company until further notice.

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.

### 3.2.2. Key figures for performance measurement

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

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

$$\text{Profitability} = \frac{\text{Earnings before taxes}}{\text{Sales}}$$

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

$$\text{Sales Growth} = \frac{\text{Current sales}}{\text{Previous year's sales}} - 1$$

EBT and turnover are determined in accordance with 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 Management Board for both key figures (profitability and sales growth). The target for profitability is based on long-term profitability expectations and should be 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 of normal business performance. The tolerance should be measured in such a way that its lower benchmark value marks the transition from a fundamentally satisfactory to an unsatisfactory result. Conversely, the upper benchmark describes the boundary between good and very good performance.

Linear functions relating to profitability and growth serve as a measure of target achievement: these functions show 100% target achievement if the values for profitability and growth determined after 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 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, the 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 malus 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 adoption 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 members of the Management Board 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 price on the basis of a share plan. Subject to any adjustment on the basis of anti-dilution provisions, this corresponds to the mean value of the closing auction prices 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 is carried out in the same way as the payment of the variable remuneration in cash, with one third corresponding to the level of the virtual share deposit account. The share plan has a term for the years 2021 to 2024 inclusive and will be extended by a further financial year if the Supervisory Board does not resolve to terminate it before the end of the respective financial year. However, each Executive Board member has the right to decide whether to continue participating in the current share plan after the end of the term. If the Executive Board member decides against further participation, he or she is not entitled to be reinstated in the share plan in subsequent financial years. In view of the Bonus Bank, no further blocking period has been provided for with regard to the holding of shares.

### **3.2.6. Extraordinary 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 payment from the bonus bank (and the virtual share deposit account)
- Special allocations to the bonus bank (and the virtual share deposit account), limited to a maximum of 50 % of the annual target total remuneration less fringe benefits granted per year

## **4. Maximum remuneration of the 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 the aforementioned 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 Executive Board in the reporting year**

### **1. Calculation of variable remuneration**

The variable remuneration granted and owed to the members of the Management Board in the reporting year relates to the payments from the bonus bank as at December 31, 2022 (after the additions for the 2022 financial year). However, as explained above, the balance includes not only the variable remuneration for the 2022 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 of 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 achievement of the targets is as follows:

Performance Criteria	Calculation	Target	Tolerance	Actual Values	Level of Fulfillment
<b>2020</b>					
Profitability	EBT / sales	8.5%	± 2.0%	11.98%	273.79%
Sales growth	(sales / previous year's sales) – 1	4.3%	± 5.0%	5.25%	118.95%
<b>Total target achievement</b>	(level of fulfillment sales growth x 50%) + (level of fulfillment profitability x 50%)				<b>196.37%</b>
<b>2021</b>					
Profitability	EBT / sales	8.5%	± 2.0%	13.02%	325.97%
Sales growth	(sales / previous year's sales) – 1	4.0%	± 5.0%	25.97%	400% (capping)
<b>Total target achievement</b>	(level of fulfillment sales growth x 50%) + (level of fulfillment profitability x 50%)				<b>362.99%</b>
<b>2022</b>					
Profitability	EBT / sales	10.0%	± 2.0%	10.41%	120.40%
Sales growth	(sales / previous year's sales) – 1	21.0%	± 5.0%	26.77%	215.33%
<b>Total target achievement</b>	(level of fulfillment sales growth x 50%) + (level of fulfillment profitability x 50%)				<b>167.86%</b>

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

	Dr. Dietmar Ley	Alexander Temme	Arndt Bake	Hardy Mehl
Target salary 2022	356,789.25 €	380,575.00 €	380,575.00 €	412,686.50 €
Variable portion	25%	25%	25%	25%
Variable absolute	149,729.10 €	159,710.96 €	159,710.96 €	173,186.77 €
Special allocation as overfulfillment	0.00 €	0.00 €	0.00 €	0.00 €
<b>Overfulfillment</b>	<b>60,531.79 €</b>	<b>64,567.21 €</b>	<b>64,567.21 €</b>	<b>70,015.15 €</b>
AktienquoteShare quota	50%	50%	50%	50%
Share price acc. to share program <sup>3</sup>	19.01 €	19.01 €	19.01 €	19.01 €
Bonus bank cash Jan. 1, 2022	560,390.47 €	170,751.32 €	416,212.56 €	461,703.47 €
Bonus bank shares in pieces Jan. 1, 2022	9,936	5,100	7,740	8,742
Payment cash March 2022	-186,796.82 €	-56,898.10 €	-138,737.52 €	-153,920.17 €
Allocation pieces shares 2022	-3,312	-1,701	-2,580	-2,913
Addition variable 2022	149,729.10 €	159,710.96 €	159,710.96 €	173,186.77 €
<i>of which cash</i>	<i>119,465.18 €</i>	<i>127,431.98 €</i>	<i>127,431.98 €</i>	<i>138,170.35 €</i>
<i>of which pieces shares</i>	<i>1,592</i>	<i>1,698</i>	<i>1,698</i>	<i>1,842</i>
Bonus bank Dec. 31, 2022	649,244.99 €	338,179.17 €	535,277.60 €	591,779.36 €
<i>of which cash</i>	<i>493,058.83 €</i>	<i>241,285.20 €</i>	<i>404,907.02 €</i>	<i>445,953.65 €</i>
<i>of which pieces shares</i>	<i>8,216</i>	<i>5,097</i>	<i>6,858</i>	<i>7,671</i>
Payment amounts March 2023	216,415.00 €	112,726.39 €	178,425.87 €	197,259.79 €
<i>of which payment in cash 2023<sup>4</sup></i>	<i>164,346.61 €</i>	<i>80,428.40 €</i>	<i>134,969.01 €</i>	<i>148,651.22 €</i>
<i>of which allocation pieces shares 2023</i>	<i>2,739</i>	<i>1,699</i>	<i>2,286</i>	<i>2,557</i>

<sup>3</sup> Following the resolution of the Annual General Meeting on May 23, 2022 regarding the capital increase from company funds and the issue of new shares to the company's shareholders at a ratio of 1:2.

<sup>4</sup> With regard to these cash payment amounts, which are generally due shortly after the consolidated financial statements for the 2022 financial year have been adopted, the company and the respective member of the Management Board agreed to defer them until January 2024 in order to preserve the company's liquidity. They are nevertheless included in the following presentation as remuneration granted and owed in the reporting year within the meaning of Section 162 para. 1 sentence 1 AktG.

## 2. Remuneration granted and owed

### 2.1. Tabular presentation

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

Dr. Dietmar Ley Chief Executive Officer Entry date: 1998				
Type of grant	2023 (in T€)	2023 (in %)	2022 (in T€)	2022 (in %)
Fixed remuneration	357	60.9	268 <sup>5</sup>	50.3
Fringe benefits	12	2.0	14	2.6
<b>Total</b>	<b>369</b>	<b>63.0</b>	<b>282</b>	<b>52.9</b>
Variable remuneration / Payout from bonus bank	216 <sup>6</sup>	36.9	250	46.9
Of which in shares	2,739 shares à € 19.01 <sup>7</sup>		1,104 shares à € 57.03	
<b>Total</b>	<b>585</b>	<b>99.8</b>	<b>532</b>	<b>99.8</b>
Pension expense <sup>8</sup>	1	0.2	1	0.2
<b>Total remuneration</b>	<b>586</b>	<b>100.0</b>	<b>533</b>	<b>100.0</b>

Alexander Temme Chief Commercial Officer Entry date: 2021				
Type of grant	2023 (in T€)	2023 (in %)	2022 (in T€)	2022 (in %)
Fixed remuneration	285	69.3	285	73.3
Fringe benefits	12	2.9	14	3.6
<b>Total</b>	<b>297</b>	<b>72.3</b>	<b>299</b>	<b>76.9</b>
Variable remuneration / Payout from bonus bank	113	27.5	89	22.9
Of which in shares	1,699 shares à € 19.01		567 shares à € 57.03	
<b>Total</b>	<b>410</b>	<b>99.8</b>	<b>388</b>	<b>99.8</b>
Pension expense <sup>8</sup>	1	0.2	1	0.3
<b>Total remuneration</b>	<b>411</b>	<b>100.0</b>	<b>389</b>	<b>100.0</b>

<sup>5</sup> Dr. Ley took a sabbatical of several months in the 2022 financial year; his fixed remuneration otherwise payable in this financial year would have amounted to € 357 thousand.

<sup>6</sup> See the comments in footnote 4. The same applies to the other members of the Management Board.

<sup>7</sup> See the comments in footnote 3. The same applies to the other members of the Management Board.

<sup>8</sup> These are payments as part of the company pension scheme. The same applies to the other members of the Management Board.



Arndt Bake Chief Marketing Officer Entry date: 2011 / Exit date: End of 2023				
Type of grant	2023 (in T€)	2023 (in %)	2022 (in T€)	2022 (in %)
Fixed remuneration	285	57.8	285	56.7
Fringe benefits	29	5.9	29	5.8
<b>Total</b>	<b>314</b>	<b>63.7</b>	<b>314</b>	<b>62.4</b>
Variable remuneration / Payout from bonus bank	178	36.1	188	37.4
Of which in shares	2,284 shares à € 19.01		860 shares à € 57.03	
<b>Total</b>	<b>492</b>	<b>99.8</b>	<b>502</b>	<b>99.8</b>
Pension expense	1	1	1	0.2
<b>Total remuneration</b>	<b>493</b>	<b>100.0</b>	<b>503</b>	<b>100.0</b>

Hardy Mehl Chief Financial and Operations Officer Entry date: 2014				
Type of grant	2023 (in T€)	2023 (in %)	2022 (in T€)	2022 (in %)
Fixed remuneration	314	57.8	310	56.5
Fringe benefits	31	5.7	29	5.3
<b>Total</b>	<b>345</b>	<b>63.5</b>	<b>339</b>	<b>61.7</b>
Variable remuneration / Payout from bonus bank	197	36.3	209	38.1
Of which in shares	2,557 shares à € 19.01		971 shares à € 57.03	
<b>Total</b>	<b>542</b>	<b>99.8</b>	<b>548</b>	<b>99.8</b>
Pension expense <sup>8</sup>	1	0.2	1	0.2
<b>Total remuneration</b>	<b>543</b>	<b>100.0</b>	<b>549</b>	<b>100.0</b>

In addition, John P. Jennings, who left the company's Executive Board on December 31, 2020 received a payment from the bonus bank of USD 172 thousand (exclusively cash).

## 2.2. 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, the maximum remuneration defined in the remuneration system (cf. system (see section II. 4. above) was complied with in relation to the remuneration granted and owed in the reporting year.

## 2.3. Deviations from the remuneration system

In accordance with Section 162 para. 1 sentence 2 no. 5 AktG, the remuneration report must include information on deviations from the remuneration system of the Management Board, including an explanation of the necessity of the of the deviations and a statement of the specific components of the remuneration system from which deviated from must be included.

Due to the economic development in the first quarter of the reporting year, it was necessary to set targets for variable remuneration in accordance with the remuneration system for the Management Board (cf. Board (see section II. 3.2.4. above) was neither practicable nor sensible. The Supervisory

Board and the Management Board therefore agreed on March 29, 2023, on the initiative of the Management Board, to deviate from the requirements of the remuneration system for the Management Board described in section II. 3.2.4. in such a way that only the fixed component of the target salary is paid out and the variable salary component of 25 % of the target salary, which is normally provided for in the remuneration system for the Management Board and is initially to be transferred to the bonus bank, will be omitted without substitution.

## 2.4 Comparative presentation of the remuneration and earnings development for the members of the Management Board

	Granted and owed remuneration 2023 in € thousand	Granted and owed remuneration 2022 in € thousand	Change 2023 vs. 2022		Change 2022 vs. 2021		Change 2021 vs. 2020	
			in € thousand	in %	in € thousand	in %	in € thousand	in %
<b>Members of the management board</b>								
Dr. Dietmar Ley	586	533	53	9.9	2	0.4	32	6.4
Alexander Temme	411	389	22	5.7	70	21.9	319	n/a <sup>9</sup>
Arndt Bake	493	503	-10	-2.0	89	21.5	61	17.3
Hardy Mehl	542	549	-7	-1.3	98	21.7	16	3.7
<b>Employees</b>	in € thousand	in € thousand	in € thousand	in %	in € thousand	in %	in € thousand	in %
Ø Employees of Basler AG <sup>10</sup>	78.7	75.9	2.8	3.7	2.4	3.3	-1.4	-1.9
<b>Earnings development</b>	in € thousand	in € thousand	in € thousand	in %	in € thousand	in %	in € thousand	in %
Pre-tax result Basler AG	-11,047	28,661	-39,708	-138.5	25,983	970.2	-2,081	-43.7
Pre-tax result Basler Group	-20,171	28,331	-48,502	-171.2	375	1.3	7,542	36.9

<sup>9</sup> Mr. Temme only joined the Executive Board on 01.01.2021.

<sup>10</sup> Calculated on the basis of all FTEs, excluding members of the Management Board, senior executives and sales employees with variable remuneration components, and (for the reporting year) taking into account severance payments as part of the cost reduction program.

## **IV. General Provisions on the Remuneration of the Supervisory Board**

### **1. Approval of the compensation system for the members of the supervisory board by the shareholders**

The system for the remuneration of the members of the Supervisory Board set out in § 12 of the Articles of Association of the Company and described in more detail below in accordance with § 113 para. 3 of the German Stock Corporation Act, was confirmed by a resolution of the Annual General Meeting on May 19, 2021, and supplemented by a resolution of the Annual General Meeting on May 23, 2022, with an attendance fee of € 1.0 thousand per Supervisory Board and committee meeting, starting in the 2022 fiscal year. By resolution of the Annual General Meeting on May 26, 2023, the payment method for the remuneration of the Supervisory Board members was then (exclusively) changed. In the past, the compensation was paid in arrears after the end of the fiscal year; in the future, it will be paid in arrears (pro rata) after the end of each quarter. To this end, Article 12 (1) sentence 1 of the Articles of Association of the Company was revised and a new paragraph 4 was added to Article 12 of the Articles of Association of the Company.

### **2. General Principles of the Remuneration System for the Members of the Supervisory Board of the Company**

Pursuant to § 12 of the Company's Articles of Association, the amount of the annual remuneration of the members of the Supervisory Board is determined by the Annual General Meeting. Due to its market-oriented structure, the compensation of the Supervisory Board makes it possible to attract suitable candidates for the office of a member of the Supervisory Board. In this way, the compensation of the Supervisory Board helps to ensure that the Supervisory Board as a whole can properly and competently perform its duties of supervising and advising the Management Board, thereby promoting the Company's business strategy and long-term development. In accordance with the suggestion in G.18 Sentence 1 DCGK, only fixed remuneration components and the reimbursement of expenses are provided for, i.e. 100%, and no variable remuneration components. The fixed compensation 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. The calculation of the fixed remuneration takes into account the expected time required for the performance of the office and the practice in companies of comparable size, industry and complexity.

### **3. Objective and relationship to corporate strategy**

Highly qualified Supervisory Board members shall be recruited and retained. This promotes the efficiency of the work of the Supervisory Board and the long-term development of the company. The compensation described below strengthens the independence of the members of the Supervisory Board in the performance of their supervisory duties and thus makes an indirect contribution "to the long-term development of the enterprise" (see Section 87a (1) sentence 2 no. 2 of the German Stock Corporation Act). At the same time, it creates an incentive for the members of the Supervisory Board to work proactively to "promote the corporate strategy" (cf. Section 87a (1) sentence 2 no. 2 AktG) by taking appropriate account of the greater time commitment of the Chairman, who is particularly closely involved in the discussion of strategic issues (cf. D.5 DCGK), the Deputy Chairman of the Supervisory Board and the chairmen and members of the committees in accordance with the recommendation in G.17 DCGK.

### **4. Remuneration components**

The members of the Supervisory Board shall be remunerated for their services in accordance with the following provisions, unless the Annual General Meeting resolves otherwise:

Each member of the Supervisory Board receives a fixed remuneration of € 16.5 thousand after the end of the fiscal year, the Chairman of the Supervisory Board receives an annual fixed 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 Chairman of the Audit Committee is T€ 19.8 and for each other member of the Audit Committee T€ 6.6.

- The additional remuneration for the Chairman of the Nomination Committee amounts to € 7.4 thousand (rounded) and € 2.5 thousand (rounded) for each other member of the Nomination Committee.

- 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 VAT incurred is reimbursed separately insofar as the members of the Supervisory Board are entitled to invoice the company separately for VAT and exercise this right.

In addition, the members of the Supervisory Board (since the beginning of the 2022 financial year) receive an attendance fee of € 1.0 thousand per Supervisory Board and committee meeting; the 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, they receive 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 (deputy) chairmanship 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)	2023	2022	2021
Basic remuneration	136.1	140.0	140.0
Remuneration for committee activities	45.4	45.4	45.4
Attendance fees	45.0	45.0	n/a
<b>Total</b>	<b>226.5</b>	<b>230.4</b>	<b>185.4</b>

### 2. Individual remuneration granted and owed to the Supervisory Board

Member of the supervisory board	Basic remuneration		Remuneration for committee activities		Attendance fees		Total in € thousand (rounded)
	in € thousand	in %	in € thousand (rounded)	in %	in € thousand	in %	
Norbert Basler	49.5	68.3	14.0	19.3	9.0	12.4	<b>72.5</b>
Horst W. Garbrecht	24.5	72.1	2.5	7.4	7.0	20.6	<b>34.0</b>
Prof. Dr. Mirja Steinkamp	16.5	34.5	22.3	46.7	9.0	18.8	<b>47.8</b>
Lennart Schulenburg	16.5	53.1	6.6	21.2	8.0	25.7	<b>31.1</b>
Tanja Schley (from May 26, 2023)	9.9	71.2	0	0	4.0	28.8	<b>13.9</b>
Alexander Jürn (from May 26, 2023)	9.9	71.2	0	0	4.0	28.8	<b>13.9</b>
Dorothea Brandes (until May 26, 2023)	6.6	68.8	0	0	3.0	31.3	<b>9.6</b>
Dr. Marco Grimm (until Feb. 28, 2023)	2.8	73.7	0	0	1.0	26.3	<b>3.8</b>

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

	Remuneration granted and owed 2023 in € thousand	Remuneration granted and owed 2022 in € thousand	Change 2023 vs. 2022		Change 2022 vs. 2021		Change 2021 vs. 2020		
			in € thousand	in %	in € thousand	in %	in € thousand	in %	
<b>Member of the supervisory board</b>									
Norbert Basler	72.5	72.5	0	0	9.0	14.2	4.7	8.0	
Horst W. Garbrecht	34.0	30.8	3.2 <sup>11</sup>	10.4 <sup>11</sup>	11.8	62.1	1.2	6.7	
Prof. Dr. Mirja Steinkamp	47.8	46.8	1.0	2.1	10.5	28.9	4.8	15.2	
Lennart Schulenburg	31.1	20.0	11.1 <sup>12</sup>	55.5 <sup>12</sup>	20.0	n/a	n/a	n/a	
Tanja Schley (from May 26, 2023)	13.9	n/a	13.9	n/a	n/a	n/a	n/a	n/a	
Alexander Jürn (from May 26, 2023)	13.9	n/a	13.9	n/a	n/a	n/a	n/a	n/a	
Dorothea Brandes (until May 26, 2023)	9.6	22.5	-12.9	-57.3	6.0	36.4	1.0	6.5	
Dr. Marco Grimm (until Feb. 23, 2023)	3.8	22.5	-18.7	-83.1	6.0	36.4	1.0	6.5	
<b>Employees</b>	in € thousand	in T€	in T€	in %	in T€	in %	in T€	in %	
Ø Employees of Basler AG <sup>13</sup>	78.7	75.9	2.8	3.7	2.4	3.3	-1.4	-1.9	
<b>Earnings development</b>	in € thousand	in T€	in T€	in %	in T€	in %	in T€	in %	
Pre-tax result Basler AG	-11.047	28.661	-39.708	-138.5	25.983	970.2	-2.081	-43.7	
Pre-tax result Basler-Group	-20.171	28.331	-48.502	-171.2	375	1.3	7.542	36.9	

<sup>11</sup> The increase is due to the fact that Mr. Garbrecht held the position of Deputy Chairman of the Supervisory Board for a full year for the first time in the reporting year.

<sup>12</sup> The increase is due to the fact that Mr. Schulenburg was only a member of the Supervisory Board for just over seven months in the previous year.

<sup>13</sup> Calculated on the basis of all FTEs, excluding members of the Management Board, senior executives and sales employees with variable remuneration components, and (for the reporting year) taking into account severance payments as part of the cost-cutting program.

## **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, 2023 to December 31, 2023 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 remuneration report has been prepared, in all material respects, in accordance with § 162 Abs. 1 and 2 AktG. Our 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 IDW Auditing Standards: The Audit of the Remuneration Report in Accordance with Section 162 (3) AktG (IDW PS 870(08.2021)). Our responsibilities under this requirement and this standard are further described in the "Auditor's Responsibilities" section of our report. As an audit firm, we have audited the requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Practice (IDW QS 1). We have complied with the professional duties in accordance with the German Auditors' Code and the Professional Code for Auditors/Sworn Auditors, including the independence requirements.

### **Responsibility of the Executive 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, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities**

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 have 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 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 the knowledge obtained in the audit and, in doing so, to consider whether the remuneration report contains misleading representations with regard to the accuracy 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, we conclude that there is such a misrepresentation, we are required to report that fact. We have nothing to report in this context.

Lübeck, March 27, 2024

BDO AG  
Wirtschaftsprüfungsgesellschaft

signed Dirks

signed Heesch