

DATA MODUL Aktiengesellschaft
Produktion und Vertrieb von elektronischen Systemen

Remuneration Report

The following remuneration report pursuant to section 162 AktG outlines and explains the remuneration individually granted and/or due in the fiscal year 2021 to current and former members of the Management Board and Supervisory Board of DATA MODUL AG.

A. Remuneration of the Management Board

Summary of the remuneration year 2021

The Supervisory Board resolved the remuneration system for the Management Board with effect as of 1 January 2021 pursuant to sections 87 para. 1, 87a para. 1 AktG.

On 6 May 2021, the remuneration system was submitted to the Annual General Meeting pursuant to section 120a para. 1 AktG and approved by the required majority vote.

In the fiscal year 2021, the Supervisory Board did not make use of any of the options established in the remuneration system to deviate temporarily from the remuneration system.

Overview of the remuneration system

The remuneration of the Management Board members of DATA MODUL AG is based on its size and global activities, its business and financial position, its profitability, and its prospects as well as the amount and structure of Management Board remuneration of comparable companies in and outside Germany.

In addition, the responsibilities and personal performance of the Management Board are taken into account.

The remuneration structure is designed to be competitive in the international market for highly qualified executives, and to provide an incentive for successful work for sustainable corporate development.

The Supervisory Board determined the annual target amounts for the Management Board as part of the remuneration system. The Supervisory Board made sure that the target amounts are challenging and ambitious.

The following chart presents the components of the remuneration system as well as the annual target amounts. Thereafter, the components, and how they were actually applied in the fiscal year 2021, are explained in detail.

Fixed components

1.	Basic salary	Annual target amount: EUR 230,000.00
2.	Bonus for retention	Annual target amount: EUR 100,000.00
3.	Fringe benefits	Annual target amount: EUR 15,000.00

Performance-based components

1.	EBIT-related executive bonus	Annual target amount: EUR 100,000.00
2.	Discretionary bonus	Annual target amount: EUR 50,000.00

Remuneration components in detail

The basic salary is a fixed annual salary, payable in twelve equal instalments at the end of each calendar month.

In order to pay tribute to his loyalty to the group, the Company grants the sole Management Board member a bonus payment in the amount of EUR 100,000.00, if he is still employed by the Company at the end of the fiscal year.

The fringe benefits mainly consist of the provision of a company car, contribution subsidies for accident, life and health insurance and the inclusion in the D&O insurance policy.

No company pension commitments have been made with regard to the sole Management Board member.

The performance-based variable remuneration in the form of the executive bonus depends on the attainment of certain financial targets. The executive bonus is an incentive for the contribution made by the Management Board to the implementation of DATA MODUL AG's business strategy in the respective fiscal year.

To ensure that the executive bonus has a long-term incentive effect, only 2/3 of the executive bonus will be paid out after adoption of the annual financial statements and approval of the consolidated financial statements for the past fiscal year. The outstanding 1/3 of the executive bonus is only paid out in the following fiscal year if the DATA MODUL Group continues to develop positively.

The basis for calculating the executive bonus is the EBIT of the DATA MODUL Group, as reported in the consolidated financial statements for the past fiscal year.

The amount of the executive bonus paid out is staggered and depends on the percentage of DATA MODUL Group's actual EBIT compared with DATA MODUL Group's budgeted EBIT. Before the beginning of the respective fiscal year, the Supervisory Board approves a budgeted EBIT figure for DATA MODUL Group.

The figures reported in the adopted consolidated financial statements of the Company for the respective past fiscal year are decisive for the actual EBIT achieved by DATA MODUL Group.

In case a Management Board member renders extraordinary services during his term of office which have a sustainably positive effect on DATA MODUL AG or DATA MODUL Group, he is entitled to a discretionary bonus payment in the relevant fiscal year. The requirement of a sustainable positive effect contributes to the long-term value-added development of the Company.

The Supervisory Board decides on the existence and amount of the discretionary bonus. The amount of the discretionary bonus payment is based on the advantage achieved for DATA MODUL or DATA MODUL Group and is determined by the Supervisory Board at its

reasonable discretion, taking into account the sustainable development of the Company and the appropriateness of the total remuneration of the Management Board member.

Observance of the maximum remuneration

The Supervisory Board has determined that the total remuneration that a Management Board member can receive in a fiscal year under the current remuneration system may not exceed an amount of EUR 785,000.00 (maximum remuneration). This is ensured by a cap on the variable remuneration. The sole Management Board member observed and undercut the maximum remuneration in the fiscal year 2021.

Review of the appropriateness

The Supervisory Board regularly reviews the appropriateness and the conventionality of the Management Board's remuneration. The appropriateness was lastly reviewed during the creation of the current remuneration system for the Management Board. The Supervisory Board included companies from the Company's sector as well as other companies listed in the Prime Standard. In addition, the Supervisory Board considered the remuneration of the senior management team and the total number of employees of DATA MODUL Group.

Management Board remuneration individually disclosed

Remuneration of the sole Management Board member

The following chart presents the fixed and variable remuneration components granted and/or due in the fiscal year 2021 to the sole Management Board member, including their relative share, pursuant to section 162 AktG and states the comparative values for the fiscal year 2020. The actual remuneration includes the basic annual salary paid out in the fiscal year 2021, the fringe benefits accrued in the fiscal year 2021, the retention bonus paid out in the fiscal year 2021 and 2/3 of the EBIT 2021 related executive bonus and 1/3 of the EBIT 2020 related executive bonus.

Dr. Florian Pesahl CEO since 1 January 2010					
		2020		2021	
		in kEUR	in % ¹	in kEUR	in %
Fixed compensation	Basic salary	216 ²	49	224 ³	35
	Fringe benefits	18	4	18	3
	Retention bonus	100	23	100	16
Subtotal		334	76	342	54
Performance-based remuneration	EBIT-related executive bonus (2/3)	73	16	147	23
	EBIT-related executive bonus (1/3)	37	8	37	6
	discretionary bonus	0	0	110	17
Subtotal		110	24	294	46
Total remuneration		444	100	636	100

¹ The relative share relates to the total compensation shown at the bottom of the chart.

² Dr. Pesahl voluntarily waived 10% of his basic salary during the months of short-time work at the Company in the fiscal year 2020.

³ Dr. Pesahl voluntarily waived 10% of his basic salary during the months of short-time work at the Company in the fiscal year 2021.

Remuneration of former Management Board members

The following chart contains the fixed and variable remuneration components granted and/or due in the fiscal year 2021 to former Management Board members who have terminated their activity within the last ten fiscal years, including their relative share, pursuant to section 162 AktG. The actual remuneration includes company pensions paid out in the fiscal year 2021. In addition, company pension in the amount of kEUR 28 was paid in the fiscal year 2021 to a further former Management Board member who has terminated his activity more than ten years ago.

	Peter Hecktor (terminated his activity in the fiscal year 2014)			
	2020		2021	
	in kEUR	in %	in kEUR	in %
Company pension paid out	24	100	24	100
Sum	24	100	24	100

Clawback of variable remuneration components

In the fiscal year 2021, the Supervisory Board did not find any cause to make use of the option provided for under the remuneration system to reclaim variable remuneration components.

Third-party benefits and termination benefits

In the fiscal year 2021, no third-party benefits or loans were granted to the sole Management Board member, nor were any similar benefits granted. The sole Management Board member does not receive any remuneration from mandates for group companies.

There are no contractual agreements with the sole Management Board member regarding the procedure in the event of premature termination of the Management Board member's contract without good cause. The Supervisory Board is of the opinion that this is not appropriate because the Management Board generally has no influence on a termination decision without good cause.

There is a severance payment provision in the event of a change of control at DATA MODUL AG amounting to a maximum of two years' remuneration.

B. Remuneration of the Supervisory Board

Summary of the remuneration year 2021

Pursuant to section 113 para. 3 AktG, the Annual General Meeting of listed stock corporations shall resolve on the remuneration of Supervisory Board members at least every four years.

Accordingly, on 6 May 2021, the Annual General Meeting confirmed the remuneration of Supervisory Board members, as set forth in section 8 para. 5 of the articles of association of DATA MODUL AG, and the applicable remuneration system for Supervisory Board members.

Overview of the remuneration system

Pursuant to section 8 para. 5 of the articles of association of DATA MODUL, the Supervisory Board members receive a fixed annual remuneration payable following the close of the fiscal year.

For individual Supervisory Board members, the annual fixed remuneration amounts to EUR 20,000.00, the chairwoman receives twice this amount and the deputy chairman receives 1.5 times this amount. Attendance fees are not paid.

In the fiscal year 2021, the remuneration system for DATA MODUL AG's Supervisory Board was applied in all aspects as set forth in section 8 para. 5 of the articles of association.

Board remuneration individually disclosed

The following chart presents the fixed and variable remuneration components granted and/or due in the fiscal year 2021 to the Supervisory Board members, including their relative share, pursuant to section 162 AktG and states the comparative values for the fiscal year 2020. The actual remuneration includes the annual fixed remuneration paid out in the fiscal year 2021.

	Fixed remuneration	
	in kEUR	in %
Kristin D. Russell	40	100
Total remuneration	40	100
Rick Seidlitz	30	100
Total remuneration	30	100
Eberhard Kurz	20	100
Total remuneration	20	100
In total	90	

Supervisory Board members are reimbursed for their expenses incurred in connection with the performance of their office and for any value-added tax payable on their remuneration.

Supervisory Board members do not receive loans from the Company.

C. D&O Insurance

The Company provides D&O insurance for Group board members. The insurance covers personal liability in cases of pecuniary loss claims brought against insured persons in connection with the performance of their duties. The insurance policy for the fiscal year 2021 stipulates a deductible for the Management Board member in line with the German Stock Corporation Act and German Corporate Governance Code.

D. Comparative chart of changes in remuneration and company performance

The following chart presents the annual change of the remuneration granted and/or due to current and former Management Board and Supervisory Board members, DATA MODUL AG's earnings performance and the remuneration awarded to employees on a full-time equivalent basis, with the latter being based on the average wages and salaries of the employees of Group companies in Germany.

	in kEUR	2020	2021	Δ in %
Management Board	Dr. Florian Pesahl	444	636	43
	Peter Hecktor	24	24	0
Supervisory Board	Kristin D. Russell (Chairwoman)	40	40	0
	Rick Seidlitz (Deputy Chairman)	30	30	0
	Eberhard Kurz	20	20	0
Employees	Employees in Germany	55	56	2
Company performance	EBIT of DATA MODUL Group according to IFRS (in EUR million)	12	13	8

***For the Management Board
Dr. Florian Pesahl
CEO
of DATA MODUL AG***

***For the Supervisory Board
Kristin D. Russell
Chairwoman of the Supervisory Board
of DATA MODUL AG***

Independent auditor's report

to DATA MODUL Aktiengesellschaft Produktion und Vertrieb von elektronischen Systemen, Munich

Opinion

We have audited the remuneration report of DATA MODUL Aktiengesellschaft Produktion und Vertrieb von elektronischen Systemen, Munich for the fiscal year from 1 January 2021 to 31 December 2021, to determine whether the disclosures pursuant to section 162 para. 1 and 2 AktG have been made in the remuneration report. In accordance with section 162 para. 3 AktG, we have not audited the content of the disclosures made in the remuneration report.

In our opinion, the remuneration report for the fiscal year from 1 January 2021 to 31 December 2021 complies, in all material respects, with the financial reporting provisions of section 162 para. 1 and 2 AktG. Our audit opinion does not cover the content of the disclosures made in the remuneration report.

Legal Basis for the Opinion

We conducted our audit of the remuneration report in compliance with section 162 para. 3 AktG and the requirements of IDW Audit Standard: The Audit of the Remuneration Report in accordance with section 162 para. 3 AktG (IDW PS 870). Our responsibility under this provision and this standard is further described in the section "Auditor's responsibility" of our report.

As an auditing company, we have applied 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 pursuant to the German Auditors' Code and the professional statutes of auditors / certified accountants, including the requirements for independence.

Responsibility of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board are responsible for setting-up the remuneration report, including the related disclosures, that complies with the requirements of section 162 AktG. They are further responsible for such internal control as they determine is necessary to enable the setting-up of the remuneration report, including the related disclosures, to be free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our objective is to obtain reasonable assurance about whether the disclosures required by section 162 para. 1 and 2 AktG have been made in all material respects in the remuneration report and to express an opinion thereon in an auditor's report.

We planned and performed our audit to obtain evidence about the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by section 162 para. 1 and 2 AktG. In accordance with section 162 para. 3 AktG, we did not verify the 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, we have a responsibility to read the remuneration report, taking into account the knowledge gained from the audit of the financial statements, and to remain alert for indications of whether the remuneration report contains misleading

representations as to the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures, or the fair presentation of the remuneration report.

If, based on the audit we have performed, we conclude that such misleading representations exist, we are required to report that fact. We have nothing to report in this context.

Munich, 23 March 2022

**Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft**

Christian Schönhofer
German Public Auditor

Maria Link
German Public Auditor