



2020

INVITATION  
TO THE ORDINARY  
ANNUAL GENERAL MEETING 2021  
VIRTUAL GENERAL MEETING

ATOSS 

# INVITATION

ATOSS Software AG  
Munich  
Securities identification number WKN 510 440  
ISIN No. DE0005104400

We invite our shareholders to the

## **ORDINARY ANNUAL GENERAL MEETING VIRTUAL GENERAL MEETING**

Friday, 30 April 2021, at 11:00 hours (CEST),  
as a virtual general meeting without the  
physical presence of the shareholders or  
their representatives (with the exception  
of the proxies of the Company).

The general meeting will be held at the Company's offices at Rosenheimer Str. 141 h, 81671 Munich, Germany. For shareholders who have registered for the general meeting in due time and form and have provided proof of share ownership, or their representatives, the general meeting will be broadcasted live in full on the internet in video and audio via the password-protected shareholder portal provided by the Company. Voting rights are exercised exclusively by means of electronic absentee voting or by granting power of attorney and issuing instructions to the proxies appointed by the Company. The explanations regarding this and on the other rights of the shareholders are set out in more detail in Paragraph III.

## I. AGENDA

### 1. **Presentation of the adopted annual financial statements of ATOSS Software AG and the approved consolidated financial statements as of 31 December 2020, the management reports of ATOSS Software AG and the group for the financial year 2020, the report of the Supervisory Board for the financial year 2020 and the explanatory report of the Management Board on the disclosures pursuant to Sections 289a and 315a of the German Commercial Code (Handelsgesetzbuch, HGB)**

These documents can be accessed on the Company's website at <http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings>.

No resolution is planned regarding item 1 of the agenda. The Supervisory Board approved the annual financial statements for the financial year 2020 prepared by the Management Board on 10 March 2021 in accordance with Sections 171, 172 of the German Stock Corporation Act (Aktiengesetz, AktG). The annual financial statements are thus adopted in accordance with Section 172 AktG. The prerequisites under which the general meeting is required to pass a resolution regarding the adoption of the annual financial statements in accordance with Section 173 (1) AktG are not met.

### 2. **2. Resolution regarding the appropriation of the net income**

The Supervisory Board and the Management Board propose that the net income from the past financial year 2020 in the amount of EUR 17,300,160.68 be appropriated as follows:

- a) distribution of a dividend in the amount of EUR 1.67 per no-par value share, i.e. a total of EUR 13,281,737.12,
- b) carry forward of the remaining amount to new account in the amount of EUR 4,018,423.56

Until the general meeting on 30 April 2021, the number of shares entitled to dividends may be reduced by the acquisition of treasury shares that are not entitled to dividends pursuant to Section 71b AktG. In this case, with an unchanged distribution in the amount of EUR 1.67 per no-par value share entitled to dividend, a correspondingly adjusted proposal for a resolution on the appropriation of profits will be submitted to the general meeting.

Pursuant to Section 58 (4) sentence 2 AktG, the dividend claim is due on the third business day following the resolution by the general meeting, i.e. on 5 May 2021.

### 3. **Resolution regarding the discharge of the members of the Management Board for the financial year 2020**

The Supervisory Board and the Management Board propose that the actions of the members of the Management Board in the financial year 2020 be ratified.

### 4. **Resolution regarding the discharge of the members of the Supervisory Board for the financial year 2020**

The Supervisory Board and the Management Board propose that the actions of the members of the Supervisory Board in the financial year 2020 be ratified.

### 5. **Election of the auditor and the group auditor for the financial year 2021**

On the recommendation of the audit committee, the Supervisory Board proposes that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt a.M., Germany - Munich branch, be appointed as auditors of the financial statements and the consolidated financial statements for the financial year 2021..

### 6. **Resolution regarding the elections to the Supervisory Board**

The term of office of all current members of the Supervisory Board ends at the end of this general meeting. For this reason, the election of a new Supervisory Board is necessary.

Pursuant to Section 8 (1) of the Company's Articles of Association, the Supervisory Board of the Company consists of three members. All members of the Supervisory Board are to be elected by the general meeting as representatives of the shareholders (Sections 96 (1) last alternative, 101 (1) AktG).

The Supervisory Board proposes that the following persons be elected to the Supervisory Board with effect from the end of the general meeting until the end of the general meeting which resolves on the discharge for the financial year 2021:

a) Moritz Zimmermann, resident in Munich, General Partner of 42CAP Manager GmbH

#### **Financial expert within the meaning of Section 100 (5) AktG**

Due to his professional background, Mr Zimmermann meets the requirements for a financial expert within the meaning of Section 100 (5) AktG.

#### **Personal and business relationship with ATOSS Software AG**

Mr Zimmermann is holding 10,928 shares in the Company. Other than in his capacity as a member of the Company's Supervisory Board, he has no personal or business relationships with the Company, its governing bodies or shareholders with a material interest in the Company. The Supervisory Board considers Mr Zimmermann to be independent within the meaning of the German Corporate Governance Code.

In the event of his election to the Supervisory Board, Mr Zimmermann is to be proposed as a candidate for the chairmanship of the Supervisory Board.

#### **Supplementary information regarding Mr Zimmermann**

##### **Personal data:**

Date of birth: 29 September 1976

Place of birth: Cologne

##### **Education:**

- Studies in economics at the University of St. Gallen: School of Management, Economics, Law and Social Sciences (Bachelor of Economics)
- Master's degree in business administration at the Ludwig-Maximilians University in Munich

##### **Professional background:**

1998 – 2014	Hybris AG, Co-Founder and Managing Director
2014 – 2017	SAP SE, Senior Vice President Global Presales for SAP Hybris
2017 – 2020	SAP SE, Chief Technology Officer (CTO) for SAP Customer Experience

##### **Memberships in domestic statutory supervisory boards:**

- ATOSS Software AG (since 2019)

Further information regarding Mr Zimmermann is available on the Company's website at <http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings>.

b) Dipl. Kfm. Rolf Baron Vielhauer von Hohenhau, resident in Munich, President of the Bund der Steuerzahler in Bayern e.V. (Association of Taxpayers in Bavaria e.V.)

#### **Financial expert within the meaning of Section 100 (5) AktG**

Due to his professional background, Baron Vielhauer von Hohenhau meets the requirements for a financial expert within the meaning of Section 100 (5) AktG.

#### **Personal and business relationship with ATOSS Software AG**

Baron Vielhauer von Hohenhau does not hold any shares in the Company and does not have any personal or business relationship with the Company, its governing bodies or shareholders with a material interest in the Company other than in his capacity as a member of the Company's Supervisory Board. The Supervisory Board considers Baron Vielhauer von Hohenhau to be independent within the meaning of the German Corporate Governance Code.

#### **Additional information regarding Baron Vielhauer von Hohenhau**

##### **Personal data:**

Date of birth: 12 October 1944

Place of birth: Sagan

##### **Education:**

- Studies of business administration in Munich
- Study of agricultural business administration in Berlin
- Worked as a journalist in Augsburg and Munich

##### **Professional background:**

1973 – 1983	Chamber of Crafts for Swabia – Public Relations Officer
1980 – today	Bund der Steuerzahler Landesverband Bayern (Taxpayers Association in Bavaria ) – Vice President (1980-1983), since 1984 President
1986 – today	Taxpayers Association of Europe (TAE), Brussels – President
1988 – today	World Taxpayers Association (WTA), Washington – Founding initiator (1986-1988), Deputy President (1988-2004), Honorary Deputy President (2004), Vice President (since 2004),

##### **Entrepreneurial activities:**

1974 – today	Retirement Home Lechbruck – Executive Chairman
1999 – today	v.H. Wirtschaftsberatungs- und Verwaltungs GmbH, Augsburg

**Memberships in domestic statutory supervisory boards:**

- Stadtparkasse Augsburg (Administrative Board)
- ATOSS Software AG (since 2001)

**Membership in comparable domestic or foreign supervisory bodies:**

- European Economic Senate e.V. (Chairman of the Supervisory Board)

Further information regarding Baron Vielhauer von Hohenhau is available on the Company's website at <http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings>.

- c) Klaus Bauer, resident in Nuremberg, member of the Supervisory Board and advisory board

**Financial expert within the meaning of Section 100 (5) AktG**

Due to his professional background, Mr Bauer meets the requirements for a financial expert within the meaning of Section 100 (5) AktG.

**Personal and business relationship with ATOSS Software AG**

Mr Bauer does not hold any shares in the Company and, other than in his capacity as a member of the Company's Supervisory Board, does not have any personal or business relationship with the Company, its governing bodies or shareholders with a material interest in the Company. The Supervisory Board considers Mr Bauer to be independent within the meaning of the German Corporate Governance Code.

**Additional information regarding Mr Bauer****Personal data:**

Date of birth: 29 May 1955  
Place: Heilsbronn

**Education:**

- Training as an industrial clerk in Ansbach
- Training as a business economist and accountant in Nuremberg

**Professional background:**

1972 – 1974	Rheinische Kunststoffwerke GmbH, Worms – Apprenticeship as an industrial clerk
1976 – 1979	Triumph-Adler Vertriebsgesellschaft m.b.H, Nuremberg – Accountant
1979 – 1980	Müller GmbH, Heilsbronn – Head of Finances and Accounting
1980 – 1981	United Insurance Group, Nuremberg
1981 – 1988	Triumph Adler AG, Nuremberg – various functions (Group Head Controller, Group Head General Controlling, Departmental Head Controlling System and Methods, Departmental Head Individual Data Processing)
1989 – 2009	PUMA AG, Herzogenaurach – various functions (e.g. Head of Individual Data-Processing, Director IT, Group Controller PUMA Group, GM Operations and Human Resources, Member of the Group Executive Committee, Senior Executive Vice President IT Systems, Processes, Strategic Projects)
2009 – 2011	PUMA AG, Herzogenaurach – Member of the Management Board/Chief Operating Officer
2011 – 2012	PUMA SE, Herzogenaurach – Managing Director/Chief Operating Officer

**Memberships in domestic statutory supervisory boards:**

- ATOSS Software AG (since 2013)

**Membership in comparable domestic or foreign supervisory bodies of commercial enterprises:**

- Schwanhäußer Industrie Holding GmbH & Co. KG, Heroldsberg (Advisory Board)
- Schwanhäußer Grundbesitz Holding GmbH & Co. KG, Heroldsberg (Advisory Board)

Further information regarding Mr. Bauer is available on the Company's website at <http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings>.

The Supervisory Board has assured itself that the candidates nominated by the Supervisory Board above are capable of making the expected time commitment.

Elections to the Supervisory Board are held on an individual basis.

**7. Resolution regarding the approval of the system for the remuneration of the members of the Management Board**

On 10 February 2021 the Supervisory Board of ATOSS Software AG has adopted a system of remuneration for the members of the Management Board pursuant Section 87a (1) AktG. According to the new Section 120a (1) sentence 1 AktG introduced by the Act Implementing the Second Shareholders' Rights Directive (ARUG II) of 12 December 2019, a resolution must be passed at least every four years at listed companies regarding the remuneration system for members of the Management Board presented by the Supervisory Board. The Supervisory Board will apply the remuneration system to all service agreements with members of the Management Board of ATOSS Software AG which are newly concluded, amended or extended after the expiry of two months following the initial approval of the remuneration system by the general meeting.

The remuneration system for the members of the Management Board is presented below and can be accessed via the Company's website at <http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings>.

The Supervisory Board proposes to resolve:

The remuneration system for the members of the Management Board as adopted by way of resolution by the Supervisory Board and reproduced below is approved.

**System for the remuneration of members of the Management Board of ATOSS Software AG pursuant to Section 87a AktG****A. Introduction**

The system for the remuneration of the members of the Management Board is designed in a clear and comprehensible manner. It complies with the requirements of the German Stock Corporation Act as amended by the Act Implementing the Second Shareholders' Rights Directive (ARUG II) of 12 December 2019 (BGBl. Part I 2019, no. 50).

The Supervisory Board will apply the remuneration system to all service agreements with members of the Management Board of ATOSS Software AG which are newly concluded, amended or extended after the expiry of two months following the initial approval of the remuneration system by the general meeting (Section 87a (2) sentence 1 AktG, Section 26j (1) Introductory Act to the German Stock Corporation Act (EgAktG)).



B. The remuneration system in detail

I. Maximum remuneration (Section 87a (1) sentence 2 no. 1 AktG)

The total remuneration to be granted to the entire Management Board for a financial year (total of all remuneration amounts spent by the Company for all acting members of the Management Board in a financial year, including annual basic salary, variable remuneration components, fringe benefits and pension expenses) is limited to an absolute maximum amount (“Maximum Remuneration”), irrespective of the financial year in which a remuneration element is paid out. The Maximum Remuneration is EUR 2 million in case of a Management Board with two members and EUR 4 million in case of a Management Board with three or more members.

II. Contribution of the remuneration to the promotion of the business strategy and the long-term development of the Company (Section 87a (1) sentence 2 no. 2 AktG)

The remuneration system supports the business strategy of ATOSS Software AG to further consolidate its market position as a leading provider of time management and workforce scheduling software systems and to generate a high level of sustainable growth through the continuous acquisition of new customers and the expansion of existing customer installations.

The remuneration system provides incentives to promote this business strategy: The Short Term Incentive (STI) is based on the financial performance criteria of revenue and EBIT (unless otherwise agreed), which supports the focus on profitable growth. As part of a criteria-based adjustment factor (so-called modifier), operational and non-financial performance criteria (including ESG targets from the areas of environmental protection, social affairs and good corporate governance) with strategic importance for corporate development can also be taken into account when measuring the STI, thereby providing additional incentives for sustainable business practices as well. The multi-year bonus linked to the achievement of targets in strategically important areas and a share-based remuneration element (restricted stock units) also emphasise the orientation of remuneration towards performance and sustainable value enhancement.

The remuneration system also provides the framework for an appropriate remuneration of the members of the Management Board, which makes it possible to attract qualified management personnel and retain them at ATOSS Software AG in the long term.

III. Remuneration components and performance criteria for variable remuneration components (Section 87a (1) sentence 2 nos. 3 and 4 AktG)

1. Overview of the remuneration components and their relative shares of the target total remuneration

The remuneration of the members of the Management Board consists of fixed and variable remuneration components. The fixed components of the remuneration of the members of the Management Board comprise a fixed annual salary as well as various possible fringe benefits and pension benefits. The variable components are the Short Term Incentive (STI), which is based on short-term annual targets, the multi-year bonus and the share-based remuneration component (restricted stock units).

Fixed Remuneration components	Fixed annual salary	Contractually agreed base salary (to be paid out in twelve monthly instalments)
	Pension arrangement	Contractually agreed amount for the company pension scheme (e.g., pension fund based on reinsurance)
	Fringe benefits	E.g., company car for occupational and private use, different insurance elements or contributions
Variable Remuneration components	Single-year profit-share payment (STI)	Financial performance criteria, possibly operative/strategic targets; modified (0.9-1.1), possibly including non-financial targets/ESG
	Multi-year profit-share payment	Qualitative individual targets (e.g., Human Resources; Sale); average target achievement affects payout
	Restricted Stock Units	Share-based remuneration component with a staggered pay-out in cash
Malus provision		Supervisory Board can withhold variable remuneration that has not yet been paid in the case of major breaches of duty
Maximum remuneration		In case of a Management Board with two members: EUR 2 million In case of a Management Board with three or more members: EUR 4 million

The share of fixed remuneration components (annual salary, fringe benefits, pension expenses) of the target total remuneration is between 50% and 75%. Fringe benefits and pension expenses each amount to 0% to 15% of the target total remuneration. The variable remuneration components account for 25% to 50% of the target total remuneration. Between 10% and 40% of the variable remuneration consists of remuneration with an annual assessment basis, between 10% and 40% of remuneration with a multi-year assessment basis and between 10% and 40% of share-based remuneration.

Deviating from this, the share of fixed remuneration components of the target total remuneration is 75% to 95% for a member of the Management Board who directly or indirectly owns more than 10% of the shares in ATOSS Software AG; in this case the share of variable remuneration components in the target total remuneration is correspondingly altered, although these do not have to include a share-based remuneration component.

## 2. Fixed remuneration components

### 2.1 Fixed annual salary

The members of the Management Board receive a fixed annual salary in twelve monthly instalments, which are paid on the last day of each month.

### 2.2 Pension arrangements

For the benefit of the members of the Management Board, the Company grants an employer-financed company pension plan, e.g. in the form of a defined contribution plan based on reinsurance, as a standard retirement provision. The Company makes monthly or annual contributions under the defined contribution plan to an external provider. The amount of the contributions and further details are set out in the management board service agreement and/or a separate pension commitment.

Notwithstanding the above there is a vested pension commitment qualifying as a defined benefit plan for the chairman of the Management Board, Mr Andreas F.J. Obereder. Pension benefits include an old-age pension (payable for life from the age of 65), an early retirement pension, a disability pension or a survivor's pension. The pension level (old-age pension) is approximately 55% of the current fixed salary. The pension scheme for Mr Obereder may also be continued in the event of possible future contract amendments or extensions.

### 2.3 Fringe benefits

In addition, contractually agreed fringe benefits may be granted to members of the Management Board. The Company may provide each member of the Management Board with an appropriate company car for private use. In addition, up to 50% of the contributions paid for private health and long-term care insurance can be granted (limited to the employer's contribution that would be payable if the member of the Management Board had statutory health and long-term care insurance). Retirement benefits for Management Board members can also be subsidized by up to 50% (limited to up to 50% of the contributions to the statutory pension insurance that would be payable if the member of the Management Board would be covered by the statutory pension insurance). In addition, the members of the Management Board are covered by a directors and officers liability insurance (D&O insurance) with the legally required deductible, as well as accident insurance.

The Company will pay the cost of dread disease insurance for the chairman of the Management Board, Mr Andreas F.J. Obereder.

## 2. Variable remuneration components

The variable remuneration components are described below. Where relevant, the respective performance criteria are identified and their relationship to the business strategy and long-term development of the Company is explained. In addition, the methods for assessing the achievement of targets with regard to the performance criteria are also discussed.

The variable remuneration components consist of an annual bonus (STI), a multi-year bonus and a share-based remuneration component in the form of Restricted Stock Units.

### 3.1 Single- year profit- share payment (STI)

The STI is granted to the members of the Management Board as a performance-related profit- share payment with a one-year assessment period. The STI pay-out amount in the event of 100% target achievement ("Target Amount" or "Target STI") is specified in the management board service agreement.

In a first step, payments according to the STI depend on financial performance criteria (e.g. sales and earnings), supplemented where appropriate by operational and/or strategic annual targets. In a second step, the Supervisory Board takes into account the achievement of other operational and/or non-financial annual targets, which may include ESG targets (from the areas of environmental protection, social affairs and good corporate governance ), as well as any exceptional developments, if applicable, via a so-called modifier (factor: 0.9 to 1.1).

The overall target achievement calculated from the performance criteria is multiplied by the modifier (0.9 to 1.1) and the defined Target Amount (in euros) and results in the pay-out amount. The annual pay-out amount of the STI is limited to a maximum of 200% (or a maximum of 220% if the modifier with a factor of 1.1 is applied) of the Target Amount. The amount payable is payable one month after the preparation of the consolidated financial statements of ATOSS Software AG for the preceding financial year in agreement with the Supervisory Board and is due for payment one month after the approval of the consolidated financial statements.

In the management board service agreement, monthly advance payments of a maximum of 50% of the target STI (basis: target achievement of 100%) should be provided for.

### Performance criteria

Unless otherwise agreed in the management board service agreement, the financial performance criteria relate to sales (ATOSS group) and earnings before interest and taxes (EBIT) (ATOSS group). Several defined financial performance criteria are weighted equally, unless the Supervisory Board determines otherwise.



With the performance criteria of sales and EBIT, the STI links to key financial indicators for measuring the growth and profitability of the ATOSS group, which are utilised at group level and in individual divisions to manage the Company. The link to these financial performance criteria thus ensures the strategic alignment of the STI.

Prior to the start of the respective financial year, the Supervisory Board defines targets for the financial performance criteria, which are derived from the group planning for the respective financial year. After the end of the financial year, the overall target achievement is calculated on the basis of the target achievement regarding the individual performance criteria (e.g. sales and EBIT). The target achievement is determined by the Supervisory Board by comparing the actual values with the targets (budget values) for the respective financial year.

The range of possible target achievements for the financial performance criteria is between 0% and 200%. Depending on the target values (budget values correspond to 100% target achievement) of the financial performance criteria, a threshold and a maximum value are defined. If the actual value achieved in the respective financial year is at or below the threshold value, the target achievement corridor is missed and target achievement is 0%. If the value actually achieved is at or above the maximum value, the maximum target achievement level is 200%. In between the threshold and maximum values, the degree of target achievement develops linearly. The overachievement of the sales target may be contractually limited to a sales-EBIT ratio (example: overachievement is limited to the extent that consolidated sales may not exceed 20 times EBIT).

In addition to financial performance criteria, the Supervisory Board may also define annual targets as operationally and/or strategically oriented performance criteria that take into account the individual or collective performance of the members of the Management Board, to the extent provided for in the management board service agreement. In this case, the content requirements for these annual targets correspond to the requirements for the targets of the multi-year profit-share payment; reference is made to the respective explanations in the context of the multi-year profit-share payment (see No. III.3.2 below). In order to ensure sufficiently differentiated incentives, only specific targets can be set for the single-year profit-share payment (STI) that differ from the specific targets set for the multi-year profit-share payment.

The inclusion of annual targets enables the Supervisory Board to provide additional individual or collective incentives regarding the fulfilment of specific targets of material importance for the operational and/or strategic development of the Company.

The Supervisory Board defines the targets at its due discretion, taking into account the corporate strategy communicated to the capital market, and also determines whether and to what extent individual targets for individual Management Board members or collective targets for all Management Board members are relevant. Several defined operational and/or strategic goals are weighted equally among each other, unless the Supervisory Board determines otherwise.

The target achievement is assessed by the Supervisory Board on the basis of suitable quantitative or qualitative surveys at its due discretion. The possible target achievement is between 0% and 200%.

There are no subsequent changes to the targets for the financial year.

The payment of the STI can also be made contractually dependent on compliance with the following financial payment conditions:

- The audited individual financial statements of ATOSS Software AG for the respective financial year show a net income (HGB); and/or
- the EBIT at group level in the respective financial year is positive.

Furthermore, the payment of the STI may be limited to the extent that the total amount of all variable remuneration elements to be paid to the members of the Management Board does not exceed 50% of the net income (HGB) reported in the respective financial year in accordance with the audited individual financial statements of ATOSS Software AG; any STI amounts exceeding this limit will be reduced equally for all members of the Management Board.

#### **Criteria-based adjustment factor**

In addition, a modifier as a criterion-based adjustment factor (factor: 0.9 to 1.1) is provided for as an integral part of the STI. By means of the criteria-based adjustment factor, annual targets of strategic importance for the Company's development are taken into account, which may in particular also take into account non-financial performance criteria (including ESG targets).

Subject to any agreed specifications in the management board service agreement, the Supervisory Board decides on the selection of the performance criteria relevant for the criteria-based adjustment factor at its due discretion. Specific targets that may already be provided for as performance criteria of the STI or the multi-year bonus cannot be considered a second time in the adjustment factor.

The possible inclusion of ESG targets such as a high level of employee satisfaction or environmental aspects (e.g. CO2 emissions) can also provide incentives to act sustainably and in the interests of all stakeholders of ATOSS Software AG in the operating business as well. With regard to the promotion of the Company's business strategy and long-term development through other targets of strategic importance, please refer to the comments on the STI performance criteria.

In addition, it can be agreed that the modifier also takes into account extraordinary developments. This allows for any special situations (such as exceptional, far-reaching changes in the economic situation) that are not adequately covered by the performance criteria to be taken into account.

Before the beginning of each financial year, the Supervisory Board shall define annual targets of strategic importance for the modifier, including, where appropriate, non-financial ESG targets, and their weighting.

The modifier is determined by the Supervisory Board on the basis of suitable quantitative or qualitative surveys at its due discretion depending on the degree of fulfilment of the defined performance criteria and the possible occurrence of extraordinary developments. The factor of the modifier can be between 0.9 and 1.1. The performance criteria and the assessment of the extent to which the annual targets have been achieved are explained in the remuneration report for the financial year in which the target achievement was determined. The same applies regarding any consideration of exceptional developments.

### 3.2 Multi-year profit-share payment

In addition to the STI, the members of the Management Board are granted a multi-year profit- share payment dependent on individual qualitative targets. The assessment period takes into account the term of the Management Board member's contract (contract period) and the calendar years or short calendar years falling within the contract period (so-called target periods) and provides for a staggered pay-out of a partial amount depending on the average achievement of targets over several years. The amount of the multi-year profit- share payment granted per financial year in the event of 100% target achievement is specified in the management board service agreement.

The definition of qualitative individual targets in strategically relevant operational areas (such as Human Resources and Sales) provides performance incentives for the successful implementation of concrete measures to achieve strategic targets. Staggered assessment and pay-out periods promote a sustainable target achievement and provide incentives for a consistent performance.

The multi-year profit- share payment is determined by the achievement of operationally and/or strategically oriented individual targets in two or more target categories

of strategic importance to ATOSS Software AG (e.g. Human resources and Sales). The relevant target categories are determined by the Supervisory Board, which also decides whether individual or collective categories apply to all members of the Management Board. The specific targets may include, in particular, the following aspects:

- Strategic targets of corporate development (e.g. cloud transformation)
- Department-specific targets for the respective member of the Management Board

Before the start of the target period, the Supervisory Board defines one or more individual targets for each target category for one target period in each case. Each full calendar year or short calendar year (if the contract period differs from calendar years, e.g. contract period starts on 1 April and ends on 31 March) falling within the contract period represents a target period. The target periods in the contract period are combined into two accounting periods. There are no subsequent changes to the individual targets.

The achievement of targets is evaluated and determined by the Supervisory Board within one month of the end of the respective target period separately for each target category on the basis of suitable quantitative or qualitative surveys using the target achievement points. The range of possible target achievement per target category is between 0% (no target achievement points) and 200% (20 target achievement points). Each target achievement point corresponds to 10% target achievement (examples: 5 points correspond to a target achievement of 50%, 12 points correspond to a target achievement of 120%).

Advances on the multi-year profit- share payment can be paid in twelve equal monthly instalments up to a maximum of 50% of the target amount of the multi-year profit- share payment (target achievement of 100%). After the end of a target period and the determination of target achievement, the multi-year profit- share payment is paid out up to the level of 100% target achievement (the average of the individual targets per target period is decisive), offsetting the advances already paid.

An average target achievement of more than 100% is carried forward as an over-achievement and only paid out at the end of the respective accounting period (accounting period I or accounting period II), taking into consideration the bonus- malus provision below:

- With an average overall target achievement across all individual targets of 0 to 30%, the extrapolated overachievement is reduced by 25%.
- With an average overall target achievement across all individual targets of 170% to 200%, the extrapolated overachievement is increased by 25%.

The possibility of a reduction or increase (even in the case of maximum overachievement) of the multi-year profit-share payment due to a possible application of the adjustment factor in the event of extraordinary developments (see No. III.3.4 below) remains unaffected.

In all other cases, the extrapolated overachievement is paid out unchanged at the end of the respective accounting period.

The payment of the multi-year profit-share payment can be made contractually dependent on ATOSS Software AG reporting a net income (HGB) for the respective accounting period. Furthermore, the payment of the multi-year profit-share payment may be limited to the extent that the total amount of all variable remuneration elements to be paid to the members of the Management Board does not exceed 50% of the net income of ATOSS Software AG (HGB) reported in the respective accounting periods; any amounts exceeding this limit will be reduced equally for all members of the Management Board.

### **3.3 Share-based remuneration component: restricted stock units**

In addition, the members of the Management Board receive a variable remuneration component with a long-term incentive effect in the form of virtual shares (restricted stock units) (regarding the exception for members of the Management Board with an existing qualified shareholding, see no. III.No.1 above). The remuneration element is cash-settled; no delivery of shares is taking place. The restricted stock units are subject to vesting over a period of up to 5 years, in which the availability is staggered over the respective pay-out amount. The members of the Management Board may only dispose of the full amounts paid out after the expiry of a vesting period of up to five years.

The granting of share-based restricted stock units with up to 5-year vesting contributes to an increased alignment of interests between members of the Management Board and shareholders. This also promotes the strategic target of increasing the value of the Company in the long term.

The grant amount is specified in the management board service agreement. Restricted stock units are granted per appointment period or annually. At the beginning of an appointment period or, in the case of annual grants, a financial year, a number of restricted stock units equal to the grant amount is awarded to the members of the Management Board. The specific number of restricted stock units granted is determined by the average price of ATOSS Software AG shares (Xetra daily closing prices) over a three-month period prior to them being granted.

The first vesting period ends no later than 24 months after the granting for 20% of the initially granted restricted stock units. The amount paid out is based on the average price of ATOSS Software AG shares (Xetra daily closing prices) over a three-month period prior to the end of the first vesting period.

The second vesting period ends no later than 48 months after the date of granting for an additional 40% of the initially granted restricted stock units. The amount paid out is based on the average price of ATOSS Software AG shares (Xetra daily closing prices) over a three-month period prior to the end of the second vesting period.

The third and final vesting period will end no later than 60 months after granting for the remaining 40% of the initially granted restricted stock units. The amount paid out is based on the average price of ATOSS Software AG shares (Xetra daily closing prices) over a three-month period prior to the end of the third vesting period.

Payments from the share-based remuneration component are limited in total to a maximum of 200% (or a maximum of 220% in the event of any application of the adjustment factor for extraordinary developments (No. III.3.4) with a factor of 1.1) of the granting amount.

The payments are due within ten banking days after the end of the respective vesting period. Contractually, a suspension of the vesting periods can be agreed for periods in which the service obligation of the Management Board member is suspended. The consideration of corporate actions and dividend distributions during the vesting periods is based on the provisions in the management board service agreement. Customary market forfeiture provisions can also be agreed therein.

### **3.4 Adjustment factor for extraordinary developments**

With regard to the multi-year profit-share payment (No. III.3.2) and the share-based remuneration component (No. III.3.3), it can be agreed in the management board service agreement that possible extraordinary developments that may occur will be taken into account via a modifier (factor: 0.9 to 1.1). In this case, such special situations may also be taken into account for these remuneration elements by the Supervisory Board at its due discretion. In the event of an adjustment to pay-outs, this is specifically justified in the remuneration report.

## **IV. Deferral periods for the payment of remuneration components (Section 87a (1) sentence 2 no. 5 AktG)**

The multi-year profit-share payment is generally paid after the target periods have expired and the target have been defined (taking into account payments made in advance). In the event of a target achievement of more than 100%, the portion of the multi-year profit-share payment attributable to this overachievement is withheld until the end of the regular multi-year accounting period and only paid out depending on the average overall target achievement during the respective accounting period.

The staggered payment from the share-based remuneration component (restricted stock units) is described under No. III.3.3, to which reference is made.

With regard to the possibility of withholding variable remuneration not yet paid out (malus), reference is made to the following explanations under No. V.

#### **V. Possibilities of the Company to retain variable remuneration components**

The Supervisory Board is entitled to withhold (malus) all or part of the amounts paid out from variable remuneration components (annual profit- share payment, multi-year profit- share payment and/or share-based remuneration component) under certain conditions.

If a member of the Management Board commits a serious breach of statutory or contractual duty, as specified in the management board service agreement, acting at least grossly negligent, the Supervisory Board has the right to reduce the variable remuneration still unpaid in part or in full at its discretion.

Statutory claims, such as the possibility of claiming damages, remain unaffected by this.

#### **VI. Share-based remuneration (Section 87a (1) sentence 2 no. 7 AktG)**

The restricted stock units described in No. III.3.3 are to be regarded as a share-based remuneration component within the meaning of Section 87a (1) sentence 2 no. 7 AktG. For the further information provided in this respect, please refer to the description under No. III.3.3.

#### **VII. Remuneration-related legal transactions (Section 87a (1) sentence 2 no. 8 AktG)**

##### **1. Terms and conditions of the termination of remuneration-related legal transactions, including the respective notice periods (Section 87a (1) sentence 2 no. 8 a) AktG)**

Management board service agreements are concluded for a fixed term and accordingly do not provide for a regular termination opportunity. The service agreements of the current members of the Management Board have the following terms and termination provisions:

The term of the management board service agreement of the chairman of the Management Board, Mr Andreas F.J. Obereder, expires on 31 December 2023. In the event of any premature dismissal for cause (Section 84 (3) AktG), Mr Obereder's contract will also end. The same applies in the event of a possible dissolution of the Company. The management board service agreement of M. Christof Leiber has a term until 31 March 2022.

##### **2. Compensation for dismissal (Section 87a (1) sentence 2 no. 8 b) AktG)**

The management board service agreements do not provide for any severance entitlements or other compensations for dismissal.

##### **3. Pension arrangements (Section 87a (1) sentence 2 no. 8 c) AktG)**

The main features of the pension arrangements are explained in the context of the information provided under No. III.2.2.

#### **VIII. Consideration of the remuneration and employment conditions of the employees when determining the remuneration system (Section 87a (1) sentence 2 no. 9 AktG)**

The Supervisory Board regularly reviews the appropriateness of the remuneration of the members of the Management Board, among other things, on the basis of a comparison with the Company's internal remuneration structure (vertical comparison). When assessing the appropriateness in vertical terms, the remuneration of the Management Board is compared with the remuneration of the reporting level below the Management Board (defined senior management group: board of senior managers, i.e. managers in the ATOSS Group with a level greater than 7) as well as the total workforce of ATOSS Software AG and its German group companies. In the context of this vertical comparison, the Supervisory Board takes particular account of the ratio of the remuneration of the Management Board to the remuneration of the aforementioned employees over time.

#### **IX. Procedures for establishing, implementing and reviewing the remuneration system (Section 87a (1) sentence 2 no. 10 AktG)**

The Supervisory Board decides on a clear and comprehensible remuneration system for the members of the Management Board and presents the decided remuneration system to the annual general meeting for approval.

The Supervisory Board reviews the remuneration system and the appropriateness of the Management Board's remuneration on a regular basis at its due discretion and, if necessary, also on an ad hoc basis - but at least every four years. For this purpose, on the one hand, a vertical comparison is made between the remuneration of the Management Board and the remuneration of the workforce (cf. already under no. VIII.). In addition, the remuneration amount and structure are compared with a peer group defined by the Supervisory Board consisting of generally listed companies which, among other things, have a comparable market position and the composition of which is published (so-called horizontal comparison).

As part of the review, the Supervisory Board consults external remuneration experts and other advisors as necessary. In doing so, the Supervisory Board ensures the independence of the external remuneration experts and consultants from the Management Board and takes precautions to avoid conflicts of interest. Should a conflict of interest arise in connection with the establishment or implementation or the review of the remuneration system, the Supervisory Board will deal with it in the same way as with other conflicts of interest in the person of a Supervisory Board member (in particular by abstaining from voting on resolutions).

In the event of significant changes, but at least every four years, the remuneration system is presented again to the annual general meeting for approval. If the annual general meeting does not approve the system presented, the Supervisory Board shall present a revised remuneration system to the annual general meeting for approval at the following ordinary annual general meeting at the latest.

The Supervisory Board may temporarily deviate from the remuneration system (procedures and regulations governing the remuneration structure) and its individual components or introduce new remuneration components if this is necessary in the interests of the long-term welfare of ATOSS Software AG. Under the aforementioned circumstances, the Supervisory Board also has the right to grant special payments to newly appointed members of the Management Board to compensate for salary losses regarding a previous employment relationship or to cover the costs arising from a change of location. Deviations can also temporarily lead to a deviating amount of the Maximum Remuneration. A deviation from the remuneration system is only possible on the basis of a corresponding resolution of the Supervisory Board that establishes the exceptional circumstances and the necessity of a deviation. In the event of a deviation, the remuneration report must specify the specific components of the remuneration system from which the deviation was made and explain the necessity of the deviation (Section 162 (1) sentence 2 no. 5 AktG).

#### 8. Resolution regarding the new determination of the remuneration of the members of the Supervisory Board

Pursuant to Section 113 (3) AktG, as amended by the Act Implementing the Second Shareholders' Rights Directive (ARUG II) of 12 December 2019, a resolution regarding the remuneration of the members of the Supervisory Board, including information on the remuneration system, must be adopted at least every four years for listed companies.

The remuneration of the Supervisory Board of ATOSS Software AG is regulated in Section 12 of the Articles of Association with the following wording:

##### „§ 12 Remuneration of the Supervisory Board

Each member of the Supervisory Board shall receive, in addition to the reimbursement of expenses incurred in the performance of his duties, a remuneration which shall be determined by way of a resolution of the general meeting in compliance with the provisions of Section 113 AktG. In addition to the reimbursement of expenses and remunerations, any applicable sales taxes (value added taxes) shall be reimbursed.”

The remuneration of the Supervisory Board was last determined by a resolution of the ordinary annual general meeting on May 28, 2020. Accordingly, each ordinary member of the Supervisory Board is paid a remuneration in the amount of EUR 10,000 and an attendance allowance for ordinary meetings of the Supervisory Board in the amount of EUR 750 per meeting. The chairman of the Supervisory Board is paid a remuneration in the amount of EUR 60,000 and an attendance allowance for ordinary meetings of the Supervisory Board in the amount of EUR 1,500 per meeting. The deputy chairman is paid a remuneration in the amount of EUR 20,000 and an attendance allowance for ordinary meetings of the Supervisory Board in the amount of EUR 1,500 per meeting.

The Supervisory Board has established an audit committee for the first time with effect from 1 March 2021. The Management Board and Supervisory Board have taken this as an opportunity to review the remuneration arrangements for the members of the Supervisory Board. The Management Board and the Supervisory Board have come to the conclusion that the additional expense associated with the chairmanship of the audit committee should be appropriately taken into account and that the remuneration of the members of the Supervisory Board should also be adjusted in other respects, taking into account the remuneration granted to members of the supervisory board by other, comparable companies.

The Management Board and the Supervisory Board propose that the following resolution be adopted:

The remuneration for the members of the Supervisory Board is newly regulated on the basis of Section 12 of the Articles of Association as follows, including the remuneration system for the members of the Supervisory Board described below:

Until the general meeting resolves otherwise in the future, each member of the Supervisory Board shall be paid a remuneration in the amount of EUR 20,000 for the current and each subsequent full financial year as well as an attendance allowance for ordinary meetings of the Supervisory Board in the amount of EUR 1,500 per meeting. The chairman of the Supervisory Board is paid an additional remuneration in the amount of EUR 40,000 for the current and each subsequent full financial year, and the deputy chairman of the Supervisory Board is paid an additional remuneration in the amount of EUR 10,000 for the current and each subsequent full financial year. The chairman of the audit committee is paid an additional remuneration in the amount of EUR 10,000 for the current and each subsequent full financial year. Members of the Supervisory Board who do not belong to the Supervisory Board for the full financial year or who do not chair or deputy chair the Supervisory Board or chair the audit committee for the full financial year receive a proportionately lower remuneration. The remuneration as well as the attendance allowances are paid plus the respective statutory value added tax.

The remuneration system for the members of the Supervisory Board is presented below in accordance with Sections 113 (3) sentence 3, 87a (1) sentence 2 AktG and is available on the Company's website at

<http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings> .

#### Remuneration system for members of the Supervisory Board of ATOSS Software AG

The remuneration system takes into account the responsibility and scope of activities of the members of the Supervisory Board. The Supervisory Board contributes to the promotion of the business strategy and the long-term development of the Company by monitoring the management of the Company by the Management Board

In addition to a fixed annual remuneration, the members of the Supervisory Board receive a fixed attendance allowance for each ordinary meeting of the Supervisory Board. In addition, the members of the Supervisory Board receive a reimbursement of their expenses and any value-added tax payable on the remuneration. The share of fixed remuneration components in the total remuneration amount is 100%.

The respective amount of remuneration takes into account the specific function and responsibility of the members of the Supervisory Board. In particular, the higher workload of the chairman and deputy chairman of the Supervisory Board and of the chairman of the audit committee is taken into account appropriately.

The remuneration is payable after the end of the respective financial year. Supervisory Board members who are only members of the Supervisory Board for part of the financial year or who do not chair or deputy chair the Supervisory Board or chair the audit committee for the full financial year receive a lower remuneration in proportion to the time served.

Due to the special nature of Supervisory Board remuneration, which is granted for the activities of the Supervisory Board and which differs fundamentally from the activities of the employees of the Company and the group, a so-called vertical comparison with employee remuneration is not possible.

The remuneration of members of the Supervisory Board at ATOSS Software AG is determined on the basis of the Articles of Association by way of a resolution of the Annual General Meeting. The remuneration and the remuneration system for the Supervisory Board are regularly reviewed by the management. In particular, the time commitments of the members of the Supervisory Board and the remuneration paid by other, comparable companies are decisive in this respect. If the Management Board and the Supervisory Board see a need to adjust the remuneration or the remuneration system, they will submit a corresponding resolution proposal to the annual general meeting; in any case, a resolution proposal regarding the remuneration, including the underlying remuneration system, will be submitted to the annual general meeting no later than every four years.

The above proposal regarding the remuneration of the members of the Supervisory Board was discussed in detail by the Management Board and the Supervisory Board.

The rules applicable to the avoidance and handling of conflicts of interest are also observed in the procedure for establishing and implementing the remuneration system.

## 9. Resolution regarding the creation of new authorised capital with the option to exclude subscription rights and the corresponding amendment to the Articles of Association

The old authorised capital regulated in Section 4 (3) of the Articles of Association expired on 29 April 2014. It is proposed to create a new authorised capital in the amount of up to EUR 1,590,627.00, corresponding to 20% of the current share capital ("Authorised Capital").

The Management Board and the Supervisory Board propose that the following resolution be adopted:

a) The Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital up to a total of EUR 1,590,627.00 by way of issuing new no-par value bearer shares against contributions in cash or contributions in kind on one or more occasions until 29 April 2026 (Authorised Capital). Generally, the shareholders are to be granted a subscription right. The subscription right can also be granted to the shareholders in such a way that the new shares are taken over by one or more credit institutions or companies within the meaning of Section 186 (5) sentence 1 AktG named by the Management Board with the obligation to offer them to the shareholders for subscription (indirect subscription right). However, the Management Board is authorised to exclude shareholders' subscription rights with the approval of the Supervisory Board

I) in order to exclude fractional amounts from the shareholders' subscription rights;

II) if the new shares are issued in return for contributions in kind in connection with mergers or for the purpose of acquiring companies, parts of companies, equity interests in companies or other assets or claims for the acquisition of other assets, including claims against the Company;

III) if the new shares are issued in return for contributions in cash and the issue price per new share is not significantly lower than the stock market price of the Company's shares of the same class and rights already listed at the time when the issue price is finally determined. The number of shares issued in this way, with the exclusion of subscription rights may not exceed a total of 10% of the share capital, neither at the time this authorisation becomes effective nor at the time it is exercised. Other shares issued or sold during the term of this authorisation with the exclusion of subscription rights in direct or analogous application of Section 186 (3) sentence 4 AktG are to be counted towards the maximum limit of 10% of the share capital. To be counted towards are also shares to be issued for the purpose of servicing option and/or conversion rights or obligations under bonds with warrants and/or convertible bonds and/or profit participation rights, provided that such bonds or profit participation rights are issued during the term of this authorisation with the exclusion of subscription rights in analogous application of Section 186 (3) sentence 4 AktG;



IV) to the extent necessary to grant holders or creditors of bonds with warrants and/or convertible bonds with option and/or conversion rights or obligations, which have been or will be issued by the Company or a group company of the Company within the meaning of Section 18 AktG in which the Company directly or indirectly holds a majority interest, subscription rights to new shares to the extent to which they would be entitled after exercising the option or conversion rights or after fulfilling option exercise or conversion obligations;

V) if the new shares are to be issued to employees of the Company or employees of an enterprise affiliated with the Company or members of the management of an enterprise affiliated with the Company within the framework of share participation or other share-based programmes, whereby the employment relationship with the Company or the board relationship or employment relationship with an enterprise affiliated with the Company must exist at the time of the commitment to issue the shares; to the extent permitted by Section 204 (3) sentence 1 AktG, the contribution to be made regarding the new shares may be covered by the portion of the net profit for the year which the Management Board and the Supervisory Board may allocate to other revenue reserves in accordance with Section 58 (2) AktG. The number of shares issued in this way with the exclusion of subscription rights may not exceed a total of 5% of the share capital, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised;

and only to the extent that the shares issued during the term of this authorisation on the basis of this authorisation or another authorised capital with the exclusion of shareholders' subscription rights against contributions in cash and/or in kind do not exceed a total of 20% of the share capital, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised. The following shall be counted towards the above 20% limit

- treasury shares sold during the term of this authorisation with the exclusion of subscription rights, and
- new shares to be issued on the basis of bonds with warrants and/or convertible bonds and/or participatory rights with warrants and/or convertible participatory rights issued during the term of this authorisation with the exclusion of subscription rights.

The Management Board is authorised, subject to the approval of the Supervisory Board, to determine the content of the share rights, the further details of the capital increase and the terms and conditions of the share issue, in particular the issue price. In this context, the profit entitlement of the new shares may also be structured deviating from Section 60 (2) AktG; to the extent permitted by law, the new shares may, in particular, also carry a profit entitlement from the beginning of the financial year preceding their issue if, at the time of the issue of the new shares, a resolution on the appropriation of profits has not yet been adopted by the general meeting in respect of the profits of this financial year.

The Supervisory Board is authorised to amend the wording of the Articles of Association accordingly after the Authorised Capital has been utilised or after the deadline for the utilisation of the Authorised Capital has expired.

b) Section 4 (3) of the Articles of Association (Share Capital) is hereby repealed and restated as follows:

„(3) The Management Board is authorised, with the approval of the Supervisory Board, to increase the Share Capital by up to a total of EUR 1,590,627.00 by way of issuing new no-par value bearer shares for contribution in cash and/or in kind on one or more occasions until 29 April 2026 (Authorised Capital). Generally, the shareholders are to be granted a subscription right. The subscription right can also be granted to the shareholders in such a way that the new shares are taken over by one or more credit institutions or companies within the meaning of Section 186 (5) sentence 1 AktG named by the Management Board with the obligation to offer them to the shareholders for subscription (indirect subscription right). However, the Management Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights,

(a) in order to exclude fractional amounts from the shareholders' subscription rights;

(b) if the new shares are issued in return for contributions in kind in connection with mergers or for the purpose of acquiring companies, parts of companies, equity interests in companies or other assets or claims to the acquisition of other assets, including claims against the Company;

(c) if the new shares are issued in return for contributions in cash and the issue price per new share is not significantly lower than the stock market price of the Company's shares of the same class and rights already listed at the time when the issue price is finally determined. The number of shares issued in this way, with the exclusion of subscription rights may not exceed a total of 10% of the share capital, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised. Other shares issued or sold during the term of this authorisation with the exclusion of subscription rights in direct or analogous application of Section 186 (3) sentence 4 AktG are to be counted towards the maximum limit of 10% of the share capital. To be counted towards are also shares to be issued for the purpose of servicing option and/or conversion rights or obligations under bonds with warrants and/or convertible bonds and/or profit participation rights, provided that such bonds or profit participation rights are issued during the term of this authorisation with the exclusion of subscription rights in analogous application of Section 186 (3) sentence 4 AktG;

(d) to the extent necessary to grant holders or creditors of bonds with warrants and/or convertible bonds with option and/or conversion rights or obligations, which have been or will be issued by the Company or a group company of the company within the

meaning of Section 18 AktG in which the Company directly or indirectly holds a majority interest, subscription rights to new shares to the extent to which they would be entitled after exercising the option or conversion rights or after fulfilling option exercise or conversion obligations;

- (e) if the new shares are to be issued to employees of the Company or employees of an enterprise affiliated with the Company or members of the management of an enterprise affiliated with the Company within the framework of share participation or other share-based programmes, whereby the employment relationship with the Company or the board relationship or employment relationship with an enterprise affiliated with the Company must exist at the time of the commitment to issue the shares; to the extent permitted by Section 204 (3) sentence 1 AktG, the contribution to be made regarding the new shares may be covered by the portion of the net profit for the year which the Management Board and the Supervisory Board may allocate to other revenue reserves in accordance with Section 58 (2) AktG. The number of shares issued in this way with the exclusion of subscription rights may not exceed a total of 5% of the share capital, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised;

and only to the extent that the shares issued during the term of this authorisation on the basis of this authorisation or another authorised capital with the exclusion of shareholders' subscription rights against contributions in cash and/or in kind do not exceed a total of 20% of the share capital, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised. The following shall be counted towards the above 20% limit

- treasury shares sold during the term of this authorisation with the exclusion of subscription rights, and
- new shares to be issued on the basis of bonds with warrants and/or convertible bonds and/or participatory rights with warrants and/or convertible participatory rights issued during the term of this authorisation with the exclusion of subscription rights.

The Management Board is authorised, subject to the approval of the Supervisory Board, to determine the content of the share rights, the further details of the capital increase and the terms and conditions of the share issue, in particular the issue price. In this context, the profit entitlement of the new shares may also be structured deviating from Section 60 (2) AktG; to the extent permitted by law, the new shares may, in particular, also carry a profit entitlement from the beginning of the financial year preceding their issue if, at the time of the issue of the new shares, a resolution on the appropriation of profits has not yet been adopted by the general meeting in respect of the profits of this financial year.

The Supervisory Board is authorised to amend the wording of the Articles of Association accordingly after the Authorised Capital has been utilised or after the deadline for the utilisation of the Authorised Capital has expired."

#### 10. **Resolution regarding the creation of an authorisation to issue bonds with warrants and/or convertible bonds with the possibility to exclude the subscription right as well as regarding the creation of a conditional capital and the corresponding amendment to the Articles of Association**

An authorisation to issue bonds with warrants and/or convertible bonds is to be granted and a conditional capital is to be resolved. The conditional capital shall have a volume of up to EUR 1,590,627.00, corresponding to 20% of the current share capital.

The Management Board and the Supervisory Board propose that the following resolution be adopted:

##### **a) Authorisation to issue bonds with warrants and/or convertible bonds and to exclude subscription rights**

(I) Authorisation period, nominal amount, term, number of shares

The Management Board is authorised, with the approval of the Supervisory Board, to issue on one or on more occasions registered and/or bearer bonds with warrants and/or convertible bonds (collectively also "**Bonds**") with a total nominal amount of up to EUR 450,000,000.00 with or without a limited term until 29 April 2026, and to grant the holders or creditors of bonds with warrants option rights (also with an exercise obligation, if applicable) or the holders or creditors of convertible bonds conversion rights (also with a conversion obligation, if applicable) to shares of the Company representing a total share of up to EUR 1,590,627.00 in the share capital, in accordance with the terms and conditions of the bonds with warrants or convertible bonds (together also referred to as the "**terms and conditions of the Bonds**").

The Bonds may be issued for payment in cash but may also be issued for payment in kind. In addition to euros, the Bonds may also be issued in the legal currency of an OECD country, subject to a limit of the corresponding equivalent value in euros. They may also be issued by a group company of the Company within the meaning of Section 18 AktG with its registered office in Germany or abroad, in which the Company directly or indirectly holds a majority interest; in this case, the Management Board is authorised, subject to the approval of the Supervisory Board, to assume the guarantee for the Bonds on behalf of the Company and to grant the holders or creditors of the Bonds option or conversion rights (including, where applicable, option exercise or conversion obligations) regarding shares in the Company or to impose such conditions on them.

The individual issues may be divided into partial Bonds with equal rights.

## (II) Subscription rights and exclusion of subscription rights

Generally, the shareholders are entitled to a subscription right regarding the Bonds. They may also be granted in such a way that the Bonds are taken over by one or more credit institutions or companies within the meaning of Section 186 (5) sentence 1 AktG named by the Management Board with the obligation to offer them to the shareholders for subscription (indirect subscription right). If the Bonds are issued by a group company of the Company within the meaning of Section 18 AktG in which the Company directly or indirectly holds a majority interest, the Company must ensure the granting of the direct or indirect statutory subscription right for the shareholders of the Company.

However, the Management Board is authorised to exclude shareholders' subscription rights with the approval of the Supervisory Board

- in order to exclude fractional amounts from the shareholders' subscription rights;
- if the Bonds are issued in return for payment in kind for the purpose of acquiring companies, parts of companies, equity interests in companies or other assets or claims to the acquisition of other assets, including receivables against the Company, and provided that the value of the contribution in kind is in reasonable proportion to the value of the Bonds; the theoretical market value of the Bonds to be determined in accordance with recognised methods of financial mathematics shall be decisive in this respect;
- if the Bonds are issued in return for cash and the Management Board, after due examination, comes to the conclusion that the issue price of the Bonds is not materially lower than their theoretical market value determined in accordance with generally accepted methods of financial mathematics. However, this authorisation shall only apply subject to the condition that the number of shares that may be created by exercising Bonds issued under this authorisation with the exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG does not exceed a total of 10% of the share capital, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised. Shares issued or sold during the term of this authorisation with the exclusion of subscription rights in direct or analogous application of Section 186 (3) sentence 4 AktG are to be counted towards this maximum limit of 10% of the share capital. To be counted towards are also shares to be issued to service option and/or conversion rights or obligations arising from convertible bonds and/or bonds with warrants and/or profit participation rights, provided that these Bonds or profit participation rights are issued during the term of this authorisation on the basis of another authorisation with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG;
- to the extent necessary to grant the holders or creditors of bonds with warrants and/or convertible bonds issued or to be issued by the Company or a group company of the Company within the meaning of Section 18 AktG in which the

Company directly or indirectly holds a majority interest subscription rights to the Bonds, to the extent to which they would be entitled after exercising the option or conversion rights or fulfilling option exercise or conversion obligations;

and only if the total of the new shares to be issued by the Company on the basis of such Bonds and on the basis of bonds with warrants and/or convertible bonds and/or participatory rights with warrants and/or convertible participatory rights issued on the basis of another authorisation during the term of this authorisation with the exclusion of subscription rights does not account for more than 20% of the share capital in total, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised. The following shall be counted towards the above 20% limit

- treasury shares sold during the term of this authorisation under exclusion of subscription rights, and
- shares issued during the term of this authorisation from authorised capital with the exclusion of subscription rights.

## (III) Option and conversion rights

In the event that bonds with warrants are issued, one or more warrants shall be attached to each partial Bond, entitling the holder or creditor to subscribe to no-par value bearer shares of the Company in accordance with the more detailed terms and conditions of the option to be determined by the Management Board. The terms and conditions of the option may provide that the option price may also be satisfied in whole or in part by way of transfer of partial Bonds and, if applicable, an additional cash payment. The pro rata amount of the share capital attributable to the shares to be subscribed for each partial Bond may not exceed the nominal amount of the partial Bond. Section 9 (1) and Section 199 (2) AktG remain unaffected. To the extent that subscription rights to fractions of shares arise, it may be provided that such fractions may be added up to subscription rights regarding whole shares in accordance with the terms and conditions of the option, if necessary for additional payment.

In the event that convertible bonds are issued, the holders or creditors shall be granted the right to convert their Bonds into no-par value bearer shares of the Company in accordance with the terms and conditions of the convertible bonds to be determined by the Management Board. The exchange ratio is calculated by dividing the nominal amount or the issue amount below the nominal amount of a partial Bond by the fixed conversion price for one share of the Company. A provision may be made for the exchange ratio to be variable. The exchange ratio may be rounded up or down to a whole number; furthermore, an additional payment to be made in cash may be specified. Moreover, a provision may be made for peaks to be combined and/or compensated in cash. The pro rata amount of share capital represented by the

shares to be subscribed for via each convertible bond may not exceed the nominal amount of the convertible bond. Section 9 (1) and Section 199 (2) AktG remain unaffected.

The terms and conditions of the Bonds may provide for the right of the Company or the group company issuing the Bonds, as the case may be, not to grant new bearer shares in the Company in the event of the exercise of the option or conversion, but to pay (also in part) a cash amount to be determined for the number of shares otherwise to be delivered in accordance with (v) below.

The terms and conditions of the Bonds may also provide that the bonds with warrants or convertible bonds may, at the option of the Company or the group company issuing the Bond, be serviced with already existing or to be acquired treasury shares of the Company or another listed company instead of with new bearer shares from conditional capital.

(IV) Option exercise and conversion obligation

The terms and conditions of the Bonds may also establish an option exercise or conversion obligation at the end of the term (or at another point in time) or provide for the right of the Company to grant the holders or creditors of the Bonds shares in the Company or another listed company in whole or in part instead of payment of the cash amount due upon final maturity of the Bonds (this also includes maturity due to termination). In this case, too, the proportionate amount of the share capital represented by the shares in the Company to be issued for each partial Bond may not exceed the nominal amount of the partial Bond. Section 9 (1) and Section 199 (2) AktG remain unaffected.

(V) Option and conversion price

- The option or conversion price to be fixed in each case for a share must - also in the case of a variable option or conversion price and subject to the following provision for Bonds with an option exercise or conversion obligation, a substitution right or a tender right of the issuer of the Bonds for the delivery of shares - amount to at least 80% of the volume-weighted average stock exchange price of the Company's share in the XETRA closing auction (or a comparable successor system) on the Frankfurt Stock Exchange, as follows
- on the last ten trading days prior to the date of the final resolution by the Management Board regarding the issue of the bonds with warrants and/or convertible bonds or
- if subscription rights to the Bonds are traded, on the days of subscription rights trading with the exception of the last two trading days of subscription rights trading, or, if the Management Board finally determines the option or conversion price prior to the start of subscription rights trading, in the period pursuant to the above indent.

In the case of Bonds with an option exercise or conversion obligation, a substitution right or a tender right of the issuer of the Bonds for the delivery of shares, the option or conversion price to be determined must be at least equal to either the above-mentioned minimum price or the volume-weighted average stock exchange price of the shares of the Company in the XETRA closing auction (or a comparable successor system) on the Frankfurt Stock Exchange on the ten trading days before or after the day of the final maturity of the Bonds, even if the last-mentioned average price is below the above-mentioned minimum price.

In any case, the pro rata amount of the share capital represented by the shares of the Company to be issued for each partial Bond may not exceed the nominal amount of the partial Bond. Section 9 (1) and Section 199 (2) AktG remain unaffected.

(VI) Protection against dilution

Notwithstanding Section 9 (1) AktG, the option or conversion price may be reduced on the basis of an anti-dilution clause in accordance with the more detailed provisions of the Terms and Conditions of the Bonds if, during the option or conversion period, the Company increases the share capital from company funds or issues or guarantees further bonds with warrants and/or convertible bonds or profit participation rights while granting subscription rights to its shareholders in return for contributions in cash and/or in kind and the holders or creditors of existing option or conversion rights or obligations are not granted subscription rights to the extent that they would have them after exercising the option or conversion rights or fulfilling an option exercise or conversion obligation. The reduction may also be effected by payment of a corresponding amount in cash upon the exercise of the option or conversion right or fulfilment of an option exercise or conversion obligation or by way of reduction of any additional payment provided for. The terms and conditions of the Bonds may also provide for an adjustment of the option or conversion rights or obligations in the event of a capital reduction or other extraordinary measures or events (such as unusually high dividends, acquisition of control by third parties). In the event of control being acquired by third parties, an adjustment of the option or conversion price in line with market conditions may be provided for.

(VII) Further details of the issue and features

The Management Board is authorised, subject to the approval of the Supervisory Board, to determine the further details of the issue and features of the Bonds or to determine such details in agreement with the governing bodies of the group company issuing the Bonds.

This applies in particular regarding the volume, timing, interest rate, type of interest, issue price, term and denomination, anti-dilution provisions and the option or conversion period.

**b) Creation of conditional capital**

The share capital is conditionally increased by up to EUR 1,590,627.00 by issuing up to 1,590,627 new no-par value bearer shares (Conditional Capital). The Conditional Capital increase serves to grant or impose option and/or conversion rights or obligations on the holders or creditors of bonds with warrants and/or convertible bonds (together "Bonds") which are issued or guaranteed by the Company or a group company within the meaning of Section 18 AktG in which the Company directly or indirectly holds a majority interest by 29 April 2026 on the basis of the authorisation granted by a resolution of the general meeting on 30 April 2021 concerning agenda item 10. The new shares will be issued at the option or conversion price to be determined in each case in accordance with the authorisation under a) above. The Conditional Capital increase shall only be implemented to the extent that the holders or creditors of Bonds exercise option and/or conversion rights or holders or creditors of Bonds who are obliged to exercise options or to convert fulfil their option exercise or conversion obligations or to the extent that the Company or the group company issuing the Bond exercises an option to grant no-par value shares in the Company in whole or in part instead of the payment of the cash amount due and to the extent that in each case no cash settlement is granted or treasury shares or shares in another listed company are used for servicing. The new shares participate in profits from the beginning of the financial year in which they are created through the exercise of option or conversion rights or the fulfilment of option exercise or conversion obligations.

The Management Board is authorised, subject to the approval of the Supervisory Board, to determine the further details of the implementation of the Conditional Capital increase.

The Supervisory Board is authorised to amend the wording of the Articles of Association in accordance with the respective issue of subscription shares and to make all other related amendments to the Articles of Association that only affect the wording. The same applies in the event of a non-utilisation of the authorisation to issue Bonds after the expiry of the authorisation period and in the event of a non-utilisation of the Conditional Capital after the expiry of the deadlines for exercising option or conversion rights or for fulfilling option exercise or conversion obligations.

**c) Amendment to the Articles of Association**

Section 4 of the Articles of Association (Share Capital) is supplemented by a new paragraph (4) as follows:

„(4) The share capital is conditionally increased by up to EUR 1,590,627.00 by issuing up to 1,590,627 new no-par value bearer shares (Conditional Capital). The conditional capital increase serves to grant or impose option and/or conversion rights or obligations on the holders or creditors of bonds with warrants and/or convertible bonds (together "Bonds") which are issued or guaranteed by the Company or a group company within the meaning of Section 18 AktG in which the Company directly or indirectly holds

a majority interest by 29 April 2026 on the basis of the authorisation granted by a resolution of the general meeting on 30 April 2021 concerning agenda item 10. The new shares will be issued at the option or conversion price to be determined in each case in accordance with the authorisation of the general meeting of 30 April 2021 concerning agenda item 10 a). The Conditional Capital increase shall only be implemented to the extent that the holders or creditors of Bonds exercise option and/or conversion rights or holders or creditors of Bonds who are obliged to exercise options or to convert fulfil their option exercise or conversion obligations or to the extent that the Company or the group company issuing the bond exercises an option to grant no-par value shares in the Company in whole or in part instead of the payment of the cash amount due and to the extent that in each case no cash settlement is granted or treasury shares or shares in another listed company are used for servicing. The new shares participate in profits from the beginning of the financial year in which they are created through the exercise of option or conversion rights or the fulfilment of option exercise or conversion obligations.

The Management Board is authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the Conditional Capital increase.

The Supervisory Board is authorised to amend the wording of the Articles of Association in accordance with the respective issue of subscription shares and to make all other related amendments to the Articles of Association that only affect the wording. The same applies in the event of non-utilisation of the authorisation to issue Bonds after the expiry of the authorisation period and in the event of non-utilisation of the Conditional Capital after the expiry of the deadlines for exercising option or conversion rights or for fulfilling option exercise or conversion obligations.“

## II. REPORTS TO THE GENERAL MEETING

### 1. **Written report of the Management Board pursuant to Section 203 (2) sentence 2 in conjunction with Section 186 (4) sentence 2 AktG regarding agenda item 9 of the general meeting to be held on 30 April 2021 regarding the reasons for authorising the Management Board to exclude shareholders' subscription rights when utilising the Authorised Capital**

Agenda item 9 proposes to authorise the Management Board to increase the share capital on one or more occasions by up to a total of EUR 1,590,627.00 in return for contributions in cash and/or in kind with the approval of the Supervisory Board. The authorisation expires on 29 April 2026. The Management Board is responsible for determining the further details with the approval of the Supervisory Board. The new Authorised Capital is intended to enable the Company to raise equity quickly and flexibly on favourable terms, if required. Generally, the shareholders are granted subscription rights when utilising the Authorised Capital. The subscription right can also be granted to the shareholders in such a way that the new shares are taken over by one or more credit institutions or companies within the meaning of Section 186 (5) sentence 1 AktG named by the Management Board with the obligation to offer them to the shareholders for subscription (indirect subscription right).

However, the subscription right may be excluded by the Management Board, subject to the approval of the Supervisory Board, when utilising the Authorised Capital

- in order to exclude fractional amounts from the shareholders' subscription rights;
- if the new shares are issued in return for contributions in kind in connection with mergers or for the purpose of acquiring companies, parts of companies, equity interests in companies or other assets or claims to the acquisition of other assets, including claims against the Company;
- if the new shares are issued in return for contributions in cash and the issue price per new share is not significantly lower than the stock market price of the Company's shares of the same class and rights already listed at the time when the issue price is finally determined. The number of shares issued in this way, with the exclusion of subscription rights may not exceed a total of 10% of the share capital, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised. Other shares issued or sold during the term of this authorisation with the exclusion of subscription rights in direct or analogous application of Section 186 (3) sentence 4 AktG are to be counted towards the maximum limit of 10% of the share capital. To be counted towards are also shares to be issued for the purpose of servicing option and/or conversion rights or obligations under bonds with warrants and/or convertible bonds and/or profit participation rights, provided that such bonds or profit participation rights are issued during the term of this authorisation with the exclusion of subscription rights in analogous application of Section 186 (3) sentence 4 AktG;

- to the extent necessary to grant holders or creditors of bonds with warrants and/or convertible bonds with option and/or conversion rights or obligations, which have been or will be issued by the Company or a group company of the Company within the meaning of Section 18 AktG in which the Company directly or indirectly holds a majority interest, subscription rights to new shares to the extent to which they would be entitled after exercising the option or conversion rights or after fulfilling option exercise or conversion obligations;
- if the new shares are to be issued to employees of the Company or employees of an enterprise affiliated with the Company or members of the management of an enterprise affiliated with the Company within the framework of share participation or other share-based programmes, whereby the employment relationship with the Company or the board relationship or employment relationship with an enterprise affiliated with the Company must exist at the time of the commitment to issue the shares; to the extent permitted by Section 204 (3) sentence 1 AktG, the contribution to be made regarding the new shares may be covered by the portion of the net profit for the year which the Management Board and the Supervisory Board may allocate to other revenue reserves in accordance with Section 58 (2) AktG. The number of shares issued in this way with the exclusion of subscription rights may not exceed a total of 5% of the share capital, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised;

and only to the extent that the shares issued during the term of this authorisation on the basis of this authorisation or another authorised capital with the exclusion of shareholders' subscription rights in return for contributions in cash and/or in kind do not exceed a total of 20% of the share capital, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised. The following shall be counted towards the above 20% limit

- treasury shares sold during the term of this authorisation under exclusion of subscription rights, and
- new shares to be issued on the basis of bonds with warrants and/or convertible bonds and/or participatory rights with warrants and/or convertible participatory rights issued during the term of this authorisation with the exclusion of subscription rights.

With regard to this authorisation to exclude shareholders' subscription rights with the approval of the Supervisory Board, the Management Board submits the following report in accordance with Section 203 (2) sentence 2 in conjunction with Section 186 (4) sentence 2 AktG:



### **Exclusion of subscription rights for fractional amounts**

Firstly, it should be possible to exclude subscription rights for fractional amounts resulting from the subscription ratio. The purpose of this authorisation is to ensure that a practicable subscription ratio can be delineated with regard to the amount of the respective capital increase. Without the exclusion of the subscription right with regard to the fractional amount, the technical implementation of the capital increase would be considerably more difficult, in particular in the case of a capital increase by round amounts. The new shares excluded from the shareholders' subscription rights as free fractional will either be sold on the stock exchange or otherwise disposed of by the Company in the best possible manner. For these reasons, the Management Board and the Supervisory Board consider the authorisation to exclude subscription rights to be appropriate.

### **Exclusion of subscription rights in the case of capital increases in return for contributions in kind**

In addition, it should be possible to exclude shareholders' subscription rights if the capital increase is made in return for contributions in kind in connection with mergers or for the purpose of acquiring companies, parts of companies, equity interests in companies or other assets or claims to the acquisition of other assets, including claims against the Company. This gives the Company the necessary room for manoeuvre to be able to exploit opportunities that arise for the acquisition of other companies, equity interests in companies or parts of companies as well as for mergers, but also for the acquisition of other tangible assets or receivables that are essential for the Company, for example assets related to an acquisition project, quickly, flexibly and in a manner that preserves liquidity, in order to improve its competitive position and strengthen its earnings power. In the context of such transactions, very high considerations have to be paid frequently, which should not or cannot be paid in cash. In some cases, the owners of attractive companies or other attractive acquisition targets or assets also demand shares in the buyer as consideration. In order for the Company to be able to acquire such companies or other acquisition targets, it must be able to offer shares as consideration. Since such an acquisition usually takes place at short notice, it generally cannot be the subject of a resolution of the general meeting, which generally only takes place once a year. This requires the creation of authorised capital, which the Management Board - with the approval of the Supervisory Board - can quickly access. In such a case, the Management Board shall ensure that the interests of the shareholders are adequately safeguarded when determining the valuation ratios. In doing so, the Management Board takes into account the stock market price of the Company's shares. The Management Board will only make use of this authorisation if the exclusion of subscription rights is in the well-understood interests of the Company in the individual case at hand. At present, there are no specific acquisition projects for which the possibility of capital increases in kind with an exclusion of subscription rights granted by the proposed authorisation is to be used.

### **Exclusion of subscription rights if the issue price of the new shares is not significantly lower than the stock market price and the shares issued in this way with the exclusion of subscription rights do not exceed a total of 10% of the share capital**

In addition, the proposed resolution regarding agenda item 9 provides for the authorisation to exclude the shareholders' subscription rights pursuant to Section 186 (3) sentence 4 AktG when issuing the new shares in return for contributions in cash. This authorisation does not relate to the entire amount of the Authorised Capital, but to a maximum of up to 10% of the share capital. The relevant share capital is the share capital at the time this authorisation becomes effective or - if lower - the share capital existing at the time the authorisation is exercised. Shares issued from other authorised capital or sold as treasury shares during the term of the authorisation with the exclusion of subscription rights in direct or analogous application of Section 186 (3) sentence 4 AktG are to be counted towards this 10% limit. Shares to be issued for the purpose of servicing option and/or conversion rights or obligations under bonds with warrants and/or convertible bonds and/or profit participation rights shall also be included, provided that such bonds or profit participation rights are issued during the term of this authorisation with the exclusion of subscription rights in analogous application of Section 186 (3) sentence 4 AktG. In addition, the law only permits the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG if the issue price is not significantly lower than the stock market price. When exercising the authorisation, the Management Board will set the discount on the stock market price as low as possible in accordance with the market conditions prevailing at the time of the placement. The discount on the stock market price will in no case exceed 5% of the stock market price. The Management Board and the Supervisory Board consider the authorisation to exclude subscription rights pursuant to Section 186 (3) sentence 4 AktG to be reasonable in order to be able to quickly and flexibly take advantage of opportunities on the capital market that may arise in the future without having to comply with the formal steps and statutory deadlines required for a capital increase with subscription rights, which could ruin many an opportunity. By issuing the shares in close alignment with the stock market price, the interests of the shareholders are also adequately safeguarded. This is because they do not have to fear any significant share price losses and can, if necessary, make any additional share purchases at comparable prices via the stock exchange in order to maintain their shareholding quota.

### **Exclusion of subscription rights to the extent necessary to grant holders or creditors of bonds with warrants and/or convertible bonds with option or conversion rights or obligations subscription rights to new shares to the extent to which they would be entitled after exercising the option or conversion rights or after fulfilling option exercise or conversion obligations**

It should also be possible to exclude the subscription right insofar as it is necessary to grant the holders or creditors of bonds with warrants and/or convertible bonds with option and/or conversion rights or obligations, which have been or will be issued by

the Company or one of its group companies, a subscription right to new shares to which they would be entitled after exercising the option- or conversion right or after fulfilling option exercise or conversion obligations. In order to facilitate the placement of Bonds on the capital market, the corresponding terms and conditions of the warrant or convertible bond generally include protection against dilution. One way of protecting against dilution is to grant the holders or creditors of the Bonds subscription rights to new shares in subsequent share issues, as is the case for shareholders. This puts them in the same position as if they were already shareholders. In order to provide the Bonds with such protection against dilution, the shareholders' subscription rights to the new shares must be excluded. This serves to facilitate the placement of the Bonds and thus the interests of the shareholders in an optimal financial structure of the Company.

Alternatively, only the option- or conversion price could be reduced for the purpose of protection against dilution, insofar as the terms and conditions of option or convertible bonds permit this. However, this would be more complicated and cost-intensive for the Company. In addition, it would reduce the capital inflow from the exercise of options- and conversion rights or obligations. It would also be conceivable to issue Bonds without protection against dilution. However, these would be much less attractive to the market.

**Exclusion of subscription rights if the new shares are to be issued as part of share participation or other share-based programs to employees of the Company or employees of a company affiliated with the Company or members of the management of a company affiliated with the company**

Finally, the Authorised Capital is also intended to enable the Company to issue new shares to employees of the Company or employees of a company affiliated with the Company or members of the management of a company affiliated with the Company within the framework of share participation or other share-based programs. Within the scope permitted by Section 204 (3) sentence 1 AktG, the option is to be granted to cover the contribution to be made on the new shares from the portion of the net profit for the year which the Management Board and the Supervisory Board may allocate to other revenue reserves pursuant to Section 58 (2) AktG. This facilitates the handling of the share issue and takes account of the fact that the issue of new shares to employees and/or managers at a discount or free of charge serves as remuneration. The issue of shares to employees and/or managers is privileged by law because it promotes identification with the company and supports the willingness to assume joint responsibility within the company. Share-based remuneration also offers the possibility of aligning the remuneration of employees and/or managers in suitable cases with long-term and sustainable corporate development, whereby holding periods of several years are generally agreed.

For an issue of new shares to employees of the Company or employees of a company affiliated with the Company or members of the management of a company affiliated

with the Company, it is necessary to exclude the shareholders' subscription rights. The number of shares issued for these purposes with the exclusion of subscription rights may not exceed a total of 5% of the share capital, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised.

**Limitation of the authorisation to exclude subscription rights to a total of 20% of the share capital**

Furthermore, the Management Board is only authorised to exclude subscription rights when utilising the Authorised Capital to the extent that the shares issued during the term of the authorisation with the exclusion of subscription rights on the basis of this authorisation or another authorised capital do not exceed a total of 20% of the share capital, neither of the share capital at the time the authorisation becomes effective nor at the time it is exercised. The following shall be counted towards the above 20% limit

- treasury shares sold during the term of this authorisation with the exclusion of subscription rights, and
- new shares to be issued on the basis of bonds with warrants and/or convertible bonds and/or participatory rights with warrants and/or convertible participatory rights issued during the term of this authorisation with the exclusion of subscription rights.

This capital limit restricts the overall scope of an issue of shares without subscription rights. In this way, the shareholders are additionally protected against a dilution of their shareholdings.

We would like to point out that, in addition to

- the new Authorised Capital proposed under agenda item 9, and
- the Conditional Capital proposed under agenda item 10

the Company has no further authorised or conditional capital.

There is an authorisation to acquire treasury shares with a pro rata amount of the share capital of up to EUR 397,656.00, which runs until 27 April 2022. Treasury shares acquired on the basis of this authorisation may be sold to the same extent, with the exclusion of the subscription right of shareholders. Treasury shares sold during the term of the Authorised Capital with the exclusion of subscription rights would count towards the aforementioned capital limit regarding subscription right exclusions from the Authorised Capital.

The Management Board and the Supervisory Board will carefully examine in each individual case whether they will make use of one of the authorisations to increase the

capital with the exclusion of the shareholders' subscription rights. This option will only be exercised if, in the opinion of the Management Board and the Supervisory Board, this is in the best interests of the Company and thus of its shareholders.

The Management Board will report on the utilisation of the authorisation at the ordinary annual general meeting following any issue of shares in the Company from the Authorised Capital with the exclusion of subscription rights.

**2. Written report of the Management Board pursuant to Section 221 (4) in conjunction with Section 186 (4) sentence 2 AktG regarding agenda item 10 of the general meeting to be held on April 30 2021 on the reasons for authorising the Management Board to exclude shareholders' subscription rights when issuing bonds with warrants and/or convertible bonds**

Under agenda item 10, the Management Board and the Supervisory Board propose to the general meeting that authorisation be granted to issue bonds with warrants and/or convertible bonds (collectively "**Bonds**") in a total nominal amount of up to EUR 450,000,000.00 and the creation of an associated conditional capital of up to EUR 1,590,627.00 by issuing up to 1,590,627 new no-par value bearer shares. If this authorisation is fully utilised, Bonds could be issued which would grant subscription rights (or obligations) to shares amounting to up to 20% of the current share capital.

The proposed authorisation to issue Bonds is intended to offer the Company the opportunity to take advantage of attractive financing alternatives on the capital market, depending on the market situation, in addition to the traditional options of borrowing and raising equity. The issuance of Bonds enables the raising of borrowed capital which, depending on the terms and conditions of the Bond, may be classified as equity or quasi-equity for both rating and accounting purposes. The option- or conversion premiums achieved as well as the equity capital credit benefit the Company's capital base. The possibilities provided for to establish option exercise or conversion obligations in addition to granting option and/or conversion rights extend the scope for the structuring of these financing instruments. The authorisation is intended to enable the Company to issue Bonds itself or through group companies domiciled in Germany or abroad in which the Company directly or indirectly holds a majority interest, and to make use of the German or international capital market by allowing the Bonds to be issued not only in euros but also in the legal currency of an OECD country. The Bonds may be issued in return for cash payment, but also in return for payment in kind.

The option or conversion price for the shares to be subscribed to upon the exercise of option and/or conversion rights must, with the exception of cases in which an option exercise or conversion obligation, a substitution right or a tender right of the issuer of the bonds for the delivery of shares is provided for, correspond to at least 80% of the

stock exchange price of the no-par value shares in the Company, determined close to time of issue of the Bonds to which option or conversion rights are attached. The possibility of a surcharge (which may increase depending on the term of the Bond) creates the precondition that the terms and conditions of the Bonds can take into account the respective capital market conditions at the time of their issue. In the event of an option exercise or a conversion obligation, a substitution right or a tender right of the issuer of the Bonds for the delivery of shares, the option or conversion price must, in accordance with the terms and conditions of the Bond, either equal at least the above-mentioned minimum price or correspond to the volume-weighted average stock exchange price of the shares of the Company in the XETRA closing auction (or a comparable successor system) on the Frankfurt Stock Exchange on the ten trading days prior to or after the date of the final maturity of the Bonds, even if the latter average price is below the aforementioned minimum price.

The shareholders are generally entitled to a subscription right to the Bonds (Section 221 (4) in conjunction with Section 186 (1) AktG). In order to facilitate settlement, it is envisaged that the Bonds may also be underwritten by one or more credit institutions or companies within the meaning of Section 186 (5) sentence 1 AktG, as named by the Management Board, with the obligation to offer them to the shareholders for subscription (so-called indirect subscription right within the meaning of Section 186 (5) AktG). However, the Management Board shall be entitled, subject to the approval of the Supervisory Board, to exclude the shareholders' subscription rights for the following purposes:

- in order to exclude fractional amounts from the shareholders' subscription rights;
- if the Bonds are issued in return for payment in kind for the purpose of acquiring companies, parts of companies, equity interests in companies or other assets or claims to the acquisition of other assets, including receivables against the Company, and provided that the value of the payment in kind is in reasonable proportion to the value of the Bonds; the theoretical market value of the Bonds to be determined in accordance with recognised methods of financial mathematics shall be decisive in this respect;
- if the Bonds are issued in return for cash and the Management Board, after due examination, comes to the conclusion that the issue price of the Bonds is not materially lower than their theoretical market value determined in accordance with generally accepted methods of financial mathematics. However, this authorisation shall only apply subject to the condition that the number of shares that may be created by exercising Bonds issued under this authorisation with the exclusion of subscription rights pursuant to Section 186 (3) sentence 4 AktG does not exceed a total of 10% of the share capital, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised. Shares issued or sold during the term of this authorisation with the exclusion of subscription rights in direct or analogous application of Section 186 (3) sentence 4 AktG are to be

counted towards this maximum limit of 10% of the share capital. To be counted towards are also shares to be issued to service option and/or conversion rights or obligations arising from convertible bonds and/or bonds with warrants and/or profit participation rights, provided that these bonds or profit participation rights are issued during the term of this authorisation on the basis of another authorisation with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG;

- to the extent necessary to grant the holders or creditors of bonds with warrants and/or convertible bonds issued or to be issued by the Company or a group company of the Company within the meaning of Section 18 AktG in which the Company directly or indirectly holds a majority interest subscription rights to the Bonds, to the extent to which they would be entitled after exercising the option or conversion rights or fulfilling option exercise or conversion obligations;

and only if the total of the new shares to be issued by the Company on the basis of such Bonds and on the basis of bonds with warrants and/or convertible bonds and/or participatory rights with warrants and/or convertible participatory rights issued on the basis of another authorisation during the term of this authorisation with the exclusion of subscription rights does not account for more than 20% of the share capital in total, neither of the share capital at the time this authorisation becomes effective nor at the time it is exercised. The following shall be counted towards the above 20% limit

- treasury shares sold during the term of this authorisation under exclusion of subscription rights, and
- shares issued during the term of this authorisation from authorised capital with the exclusion of subscription rights.

With regard to this authorisation to exclude shareholders' subscription rights with the approval of the Supervisory Board, the Management Board submits the following report in accordance with Section 221 (4) in conjunction with Section 186 (4) sentence 2 AktG:

#### **Exclusion of subscription rights for fractional amounts**

Firstly, it should be possible to exclude subscription rights for fractional amounts resulting from the subscription ratio. The purpose of this authorisation is to be able to utilise the authorisation by round amounts and to be able to present a practicable subscription ratio. Without the exclusion of the subscription right with regard to the fractional amount, the technical implementation of the issuance of Bonds would be considerably more difficult. In such cases, the exclusion of subscription rights facilitates the settlement of the issue. The free fractions excluded from the shareholders' subscription rights will be utilised either by selling them on the stock exchange or otherwise disposed of by the Company in the best possible manner. For these reasons, the Management Board and the Supervisory Board consider the authorisation to exclude subscription rights to be appropriate.

#### **Exclusion of subscription rights in the event of an issue in return for payments in kind**

It should also be possible to exclude subscription rights if the Bonds are issued in return for payments in kind and if the value of the payments in kind is in reasonable proportion to the value of the Bonds; the theoretical market value of the Bonds to be determined in accordance with recognised actuarial methods is decisive in this regard.

This is intended, among other things, to enable the Management Board to also use the Bonds as an "acquisition currency" in order to be able to acquire such payments in kind in exchange for the transfer of Bonds in suitable individual cases for the purpose of (also indirect) acquisitions of companies, parts of companies, equity interests in companies or other assets or claims to the acquisition of assets, including claims against the Company. Acquisitions of companies or shareholdings usually require quick decisions. The proposed authorisation will enable the Management Board to respond quickly and flexibly to advantageous offers or other opportunities on the German or international market and to take advantage of opportunities to acquire companies or equity interests in companies or other assets in return for the issue of Bonds in the interests of the Company and its shareholders. The Management Board will carefully examine in each individual case whether it should make use of the authorisation to issue the Bonds with the exclusion of subscription rights if opportunities to acquire assets, in particular companies or equity interests in companies, materialize. It will only exclude the shareholders' subscription rights with the approval of the Supervisory Board if this is in the well-understood interests of the Company.

#### **Exclusion of subscription rights if the issue price is not significantly lower than the theoretical market value of the Bonds and the shares created in this way with the exclusion of subscription rights do not exceed a total of 10% of the share capital**

Finally, it is proposed that the Management Board be authorised, subject to the approval of the Supervisory Board, to exclude the shareholders' subscription rights on the statutory basis set forth in Section 186 (3) sentence 4 AktG, i.e., if the Bonds are issued in return for consideration in cash and the Bonds are issued at a price that is not significantly below the theoretical market value of the Bonds determined in accordance with generally accepted financial mathematical methods.

This gives the Company the opportunity to take advantage of favourable market situations at very short notice and in a flexible manner and to achieve better conditions for the interest rate and option or conversion price of the Bonds by setting the conditions close to the market. This would not be possible if the statutory subscription right was observed. Section 186 (2) AktG does permit the publication of the subscription price (and, in the case of Bonds, of the terms and conditions) by the third last day of the subscription period. However, in view of the volatility in the stock markets, the market risk existing over several days would lead to safety margins when setting the terms and conditions of the Bonds and thus to less market-oriented terms. Furthermore, if the statutory subscription right is maintained, the successful placement of the Bonds

with third parties is jeopardized or entails additional expenses due to the uncertainty of the extent of the exercise. Finally, the length of the minimum subscription period of two weeks, which must be observed if the statutory subscription right is to be maintained, prevents the Company from reacting to favourable or unfavourable market conditions, which may lead to a less than optimal raising of capital.

The interests of the shareholders are safeguarded in case of such exclusion of subscription rights, which is provided for by an analogous application of Section 186 (3) sentence 4 AktG, by the fact that the Bonds may not be issued at a price significantly below their theoretical market value, as a result of which the accounting par value of the subscription right falls to almost zero. Shareholders who wish to maintain their share of the share capital can do so by purchasing additional shares on the market. When assessing which issue price corresponds to the theoretical market value of the Bond and guarantees that the issue of the Bonds will not lead to a significant dilution of the value of the existing shares, the Management Board may avail itself of the support of experts, i.e. consult, for example, the underwriting banks accompanying the issue or an expert, if it deems this to be appropriate in the respective situation. The issue price may also be determined in a book building procedure, if necessary.

This type of exclusion of subscription rights is also limited in terms of volume: The number of shares in the Company that may be created to service Bonds issued in this manner under exclusion of subscription rights in accordance with this authorisation may not exceed a total of 10% of the share capital, either of the share capital at the time the authorisation becomes effective or, if this amount is lower, at the time the authorisation is exercised. This 10% limit shall include the pro rata amount of the share capital represented by shares issued during the term of this authorisation either on the basis of an authorisation granted to the Management Board to exclude shareholders' subscription rights in direct or analogous application of Section 186 (3) sentence 4 AktG or sold as acquired treasury shares in analogous application of Section 186 (3) sentence 4 AktG. Shares to be issued to service option and/or conversion rights or obligations arising from convertible bonds and/or bonds with warrants and/or profit participation rights shall also be taken into account, provided that these bonds or profit participation rights are issued during the term of this authorisation on the basis of another authorisation with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 AktG. These offsets ensure that no Bonds are issued if this would result in the exclusion of shareholders' subscription rights for a total of more than 10% of the share capital in direct or analogous application of Section 186 (3) sentence 4 AktG.

**Exclusion of subscription rights to the extent necessary to grant holders or creditors of bonds with warrants and/or convertible bonds subscription rights to Bonds to the extent to which they would be entitled after exercising their option or conversion rights or fulfilling their option exercise or conversion obligations**

In addition, it should be possible to exclude the subscription right to the extent necessary to grant the holders or creditors of bonds with warrants and/or convertible bonds issued or to be issued by the Company or one of its group companies a subscription right to Bonds to which they would be entitled after exercising the option- or conversion right or after fulfilling an option exercise or conversion obligation. In order to facilitate the placement of Bonds on the capital market, the corresponding terms and conditions of the Bonds usually include protection against dilution. One way of protecting against dilution is to grant the holders or creditors of the Bonds subscription rights to Bonds in subsequent issues, as is the case for shareholders. This puts them in the same position as if they were already shareholders. In order to provide the Bonds with such protection against dilution, the shareholders' subscription rights to the Bonds must be excluded. This serves to facilitate the placement of the Bonds and thus the interests of the shareholders in an optimal financial structure of the Company.

Alternatively, for the purpose of protection against dilution, only the option- or conversion price could be reduced, to the extent permitted by the terms and conditions of the Bonds. However, this would be more complicated and cost-intensive for the Company. In addition, it would reduce the capital inflow from the exercise of options- and conversion rights or obligations. It would also be conceivable to issue bonds without protection against dilution. However, these would be much less attractive to the market.

**Limitation of the authorisation to exclude subscription rights to a total of 20% of the share capital**

Bonds may only be issued under exclusion of subscription rights in accordance with this authorisation if the sum of the new shares to be issued by the Company on the basis of such Bonds and on the basis of bonds with warrants or convertible bonds and/or participatory rights with warrants or convertible participatory rights issued on the basis of another authorisation during the term of this authorisation under exclusion of subscription rights does not account for more than 20% of the share capital, either of the share capital at the time the authorisation becomes effective or - if this value is lower - at the time this authorisation is exercised. The following shall be counted towards the above 20% limit

- treasury shares sold during the term of this authorisation under exclusion of subscription rights, and
- shares issued during the term of this authorisation from authorised capital with the exclusion of subscription rights.

This capital limit restricts the overall scope of an issue of shares without subscription rights. In this way, the shareholders are additionally protected against a dilution of their shareholdings.

We would like to point out that, in addition to

- the new Authorized Capital proposed under agenda item 9, and
- the new Contingent Capital proposed under agenda item 10

the Company has no further authorised or conditional capital.

There is an authorisation to acquire treasury shares with a pro rata amount of the share capital of up to EUR 397,656.00, which runs until 27 April 2022. Treasury shares acquired on the basis of this authorisation may be sold to the same extent, with the exclusion of the subscription right of shareholders. Treasury shares sold during the term of the authorisation under agenda item 10 with the exclusion of subscription rights would count towards the aforementioned capital limit for the exclusion of subscription rights when issuing Bonds on the basis of the proposed authorisation.

The Management Board and the Supervisory Board will carefully examine in each individual case whether they will make use of one of the authorisations to issue Bonds with the exclusion of the shareholders' subscription rights. This option will only be exercised if, in the opinion of the Management Board and the Supervisory Board, this is in the best interests of the Company and thus of its shareholders.

The Management Board will inform the respective next Ordinary Annual General Meeting of any use of the above authorisations to exclude subscription rights.

### III. FURTHER INFORMATION REGARDING THE CONVOCATION

All time specification in the section "Further information regarding the convocation" is given in Central European Summer Time (CEST) as applicable in Germany.

#### Implementation of the virtual general meeting

On the basis of Section 1 (2) of the Act on Measures in Company, Cooperative, Association, Foundation and Residential Property Law to Combat the Effects of the COVID 19 Pandemic of 27 March 2020, last amended with effect from 28 February 2021, by the Act on the Further Shortening of the Residual Debt Relief Procedure and the Adjustment of Pandemic-Related Provisions in Company, Cooperative, Association, Foundation, and Tenancy and Lease Law of 22 December 2020 (the COVID-19 Act), the Management Board, with the approval of the Supervisory Board, resolved to hold the general meeting without the physical presence of the shareholders or their proxies as a virtual general meeting. Shareholders or their proxies may exercise their voting rights at the general meeting exclusively by way of electronic absentee voting or by granting power of attorney and issuing instructions to the proxies appointed by the Company in accordance with the following provisions (no electronic participation).

For the purpose of conducting the virtual general meeting, the Company has set up a password-protected shareholder portal for the general meeting, which can be accessed via the website

<http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings>.

Via the shareholder portal, shareholders who have registered for the virtual general meeting in due time and form and have provided proof of share ownership, or their proxies, can log in with their access number and the corresponding individual PIN and cast their votes by electronic absentee voting or by electronic power of attorney and instructions to the proxies of the Company. It is also possible to submit questions regarding Company matters (up to one day before the general meeting, i.e. until 29 April 2021, 11:00 hours. (CEST)) and to submit any objections (from the beginning to the end of the general meeting) via the online access. Finally, the link to the video and audio transmission of the general meeting can also be found there.

Shareholders who have registered for the general meeting in due form and time in accordance with the following conditions and have provided proof of share ownership will receive the necessary access data for using the Internet portal by post.

We expressly advise shareholders that they should complete all registration and verification steps as soon as possible in order to ensure their ability to follow the virtual general meeting and vote in a timely manner.



**Right to participate**

Shareholders and their proxies (with the exception of proxies appointed by the Company) are not entitled to physically participate in the virtual general meeting. Only those shareholders are entitled to participate in the virtual general meeting by following the video and audio transmission of the entire general meeting and to exercise their voting rights by way of electronic absentee voting (no electronic participation) or by way of granting power of attorney and issuing instructions to the proxies nominated by the Company who register in text form in German or English language with proof of share ownership at the office designated below by 23 April 2021, 24:00 hours (CEST) at the latest.

Pursuant to Section 15 (2) of the Articles of Association, proof of share ownership pursuant to Section 67c (3) AktG, which refers to the beginning of the 21st day prior to the general meeting, i.e. to 9 April 2021, 00:00 hours (CEST) (the so-called record date) is sufficient. The proof of share ownership must be provided in text form in German or English language and must be received by the Company at the latest by 23 April 2021, 24:00 hours (CEST), at the following address:

ATOSS Software AG  
c/o Commerzbank AG  
GS-BM General Meetings  
60261 Frankfurt am Main – Germany  
Fax: +49 (0) 69 136 26351  
Email: [generalmeetings@commerzbank.com](mailto:generalmeetings@commerzbank.com)

In relation to the Company, only those persons who have provided proof of share ownership shall be deemed to be shareholders for the purposes of participating in the virtual general meeting and exercising voting rights. The right to participate and the scope of voting rights are based exclusively on the shareholding on the record date. The record date does not imply a lock-up period for the saleability of the share ownership. Disposals after the record date have no significance for the seller's statutory participation and voting rights. Likewise, an additional acquisition of shares in the Company after the record date does not lead to any changes with regard to participation and voting rights. Anyone who does not own any shares on the record date and only becomes a shareholder thereafter is not entitled to participate or vote.

After receipt of the registration and the proof of share ownership, access cards will be sent to the duly registered shareholders. These contain the access data to the shareholder portal and further information regarding the virtual general meeting. Shareholders who wish to participate in the virtual general meeting are requested to notify their custodian bank as early as possible so that it can transmit the registration and proof of share ownership to the registration office.

**Casting votes by way of absentee voting**

Shareholders and their proxies may cast their votes by way of electronic absentee voting. This also requires proper registration and proof of share ownership. The electronic casting of votes by way of absentee voting as well as changes or revocations with regard to absentee votes are possible by means of electronic communication via the password protected web portal for shareholders available at

<http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings>

until the beginning of the voting in the course of the virtual general meeting. The access data for the password-protected shareholder portal will be sent to the shareholders together with the access card after proper registration for the general meeting and proof of share ownership.

Should an individual vote be held on an agenda item without this having been communicated in advance of the virtual general meeting, a vote cast regarding such agenda item as a whole shall also be deemed to be a corresponding vote cast for each item of the individual vote.

**Procedure for voting by a representative at the general meeting**

Shareholders who do not wish to exercise their voting rights themselves by absentee voting or by granting power of attorney and issuing instructions to the proxies appointed by the Company may also have their voting rights exercised at general meeting by a proxy, for example by an intermediary (e.g. a bank), a shareholders' association, other institutions or persons covered by Section 135 AktG, by proxies appointed by the Company who are bound by instructions, or by another person of their choice. In this case, too, timely registration and proof of share ownership in accordance with the above provisions are required.

If a shareholder authorises more than one person, the Company may reject one or more of them.

The granting of the power of attorney, its revocation and the proof of authorisation vis-à-vis the Company must be made in text form. The power of attorney may be issued to the proxy or to the Company. Proof of authorisation must be received by the Company by post or fax or electronically by e-mail at the following address:

ATOSS Software AG  
Rechtsabteilung – HV 2021  
Rosenheimer Str. 141 h  
81671 Munich – Germany  
Fax: 089 - 42771 - 58400  
Email: [hauptversammlung@atoss.com](mailto:hauptversammlung@atoss.com)

A power of attorney form will be sent to the persons duly registered for the general meeting on the access card. This form is also available on the Company's website at

<http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings>

ready for download.

The above provisions on the form of powers of attorney do not extend to the form of granting, revoking and proving powers of attorney to intermediaries, shareholders' associations or other institutions or persons covered by Section 135 AktG. Special conditions may apply here; in such a case, shareholders are requested to consult with the proxy in good time regarding any form of power of attorney that may be required by the proxy.

The exercise of shareholder rights in relation to the virtual general meeting via the shareholder portal by the proxy requires that the proxy receives the shareholder's access number and PIN code from the shareholder for use. Proxies may not physically attend the general meeting. They can only exercise the voting right for the shareholders they represent by means of electronic absentee voting or, if this is possible according to the power of attorney, by granting (sub)power of attorney to the proxies appointed by the Company.

#### **Procedure for voting by proxies appointed by the Company at the general meeting**

The Company offers its shareholders the opportunity to authorise the proxies appointed by the Company to exercise their voting rights. Shareholders wishing to grant power of attorney to proxies appointed by the Company must also register for the general meeting in due time in accordance with the above provisions and provide proof of share ownership. The proxies appointed by the Company exercise the voting rights in accordance with their instructions. Without instructions from the shareholder, the proxies appointed by the Company are not authorised to exercise voting rights.

The granting of the power of attorney to the proxies appointed by the Company, its revocation and the proof of authorisation vis-à-vis the Company require text form. These can also be transmitted electronically (e-mail), e.g. by sending the access card and the power of attorney/instruction form as a scanned file, for example in PDF format, by e-mail to the address given below. For organisational reasons, shareholders are requested to send the granting of power of attorney and instructions to the proxies nominated by the Company and their amendment or revocation, if these are not transmitted via the shareholder portal, to the following address, fax number or e-mail address by no later than the end of 29 April 2021, 17:00 hours (CEST) (date of receipt by the Company):

ATOSS Software AG  
Rechtsabteilung – HV 2021  
Rosenheimer Str. 141 h  
81671 Munich – Germany  
Fax: 089 - 42771 - 58400  
Email: [hauptversammlung@atoss.com](mailto:hauptversammlung@atoss.com)

In addition, forms for the granting of powers of attorney and for instructions to the proxies appointed by the Company are available on the shareholder portal, which can be accessed via a link on our Company's website at

<http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings> .

Powers of attorney and instructions issued in this way to the proxies appointed by the Company must be issued in full by no later than the start of voting at the virtual general meeting. Until this point in time, it is also possible to revoke the powers of attorney issued via the shareholder portal or to change the instructions issued via the shareholder portal to the proxies of the Company.

If an individual vote is to be held regarding an agenda item without this having been communicated in advance of the virtual general meeting, an instruction regarding this agenda item as a whole shall also be deemed to be a corresponding instruction for each item of the individual vote.

Further information regarding the voting by proxies appointed by the Company and a form for granting power of attorney and issuing instructions will be sent to shareholders together with the access card and is also available to shareholders at the website

<http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings>

ready for download.

The proxies appointed by the Company do not accept any powers of attorney to file objections against resolutions of the general meeting, to exercise the right to speak and ask questions or to file motions.

There is no obligation to use the forms offered by the Company for authorising or instructing the proxies appointed by the Company.

## Shareholders' rights

### Motions for additions to the agenda pursuant to Section 122 (2) AktG

Shareholders whose shares, in the aggregate, are at least equivalent to one-twentieth of the share capital or a total proportionate amount of the share capital of EUR 500,000.00 may request that items be set out in the agenda and published. The request must be made in writing to the Management Board at the following address

ATOSS Software AG  
Vorstand  
z.Hd. der Rechtsabteilung – HV 2021  
Rosenheimer Str. 141 h  
81671 Munich – Germany

and must be received by the Company by no later than 30 March 2021, 24:00 hours (CEST), pursuant to Section 122 (2) sentence 3 AktG. Each new item on the agenda must be accompanied by a statement of reasons or a draft resolution. The applicants must prove that they have held the shares for at least 90 days prior to the date of receipt of the request and that they hold the shares until the Management Board has decided on the request.

### Motions and election proposals by shareholders pursuant to Sections 126 (1), 127 AktG and Section 1 (2) sentence 3 COVID-19 Act

Shareholders may submit to the Company motions against a proposal of the management on a specific agenda item pursuant to Section 126 (1) AktG and election proposals of shareholders pursuant to Section 127 AktG regarding the election of the auditor or the elections to the Supervisory Board. These are to be sent exclusively to the following address, fax number or e-mail address:

ATOSS Software AG  
Rechtsabteilung – HV 2021  
Rosenheimer Str. 141 h  
81671 Munich – Germany  
Fax: 089 - 42771 - 58400  
Email: [hauptversammlung@atoss.com](mailto:hauptversammlung@atoss.com)

The Company shall make countermotions and election proposals, including the name of the shareholder, any statement of reasons and any statement of the management, available on the Company's website at <http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings> if it has received the countermotions or election proposals at least 14 days prior to the annual meeting (not including the day of the general meeting and the day of receipt), i.e. no later than 15 April 2021, 24:00 hours (CEST), at the address stated above. Motions addressed otherwise will not be considered.

The Company may refrain from publishing a countermotion and any statement of reasons if one of the reasons for doing so pursuant to Section 126 (2) sentence 1 nos. 1 through 7 AktG applies, for example because the countermotion would lead to a resolution of the general meeting that is contrary to the law or the Articles of Association. Moreover, any statement of reasons for a countermotion need not be made available if it exceeds 5,000 characters in total. Except in the cases set out in Section 126 (2) AktG, the Management Board is also not required to make election proposals by shareholders accessible if they do not contain the information required by Section 124 (3) AktG (information regarding the names, occupations and places of residence of the proposed members of the Supervisory Board or auditors) or Section 125 (1) sentence 5 AktG (information regarding the membership of the proposed members of the Supervisory Board in other statutory supervisory boards).

No countermotions or election proposals may be made during the virtual general meeting. Countermotions and/or election proposals submitted in due form and time in accordance with the above provisions pursuant to Sections 126, 127 AktG and made available by the Company shall be deemed to have been made at the meeting pursuant to Section 1 (2) sentence 3 of the COVID-19 Act if the shareholder making the motion or submitting the election proposal is duly authorised and registered for the general meeting.

### Shareholders' right to information pursuant to Section 131 (1) AktG and right to ask questions pursuant to Section 1 (2) sentence 1 no. 3, sentence 2 COVID-19 Act

Shareholders do not have the right to request information verbally from the Management Board during the virtual general meeting pursuant to Section 131 (1) and (4) AktG. However, shareholders who have duly registered and provided proof of their share ownership have the right to ask questions on Company matters by means of electronic communication. Pursuant to Section 1 (2) sentence 1 no. 3, sentence 2 of the COVID-19 Act, questions must be submitted electronically via the shareholder portal no later than one day prior to the meeting, i.e. by 29 April 2021, 11:00 hours (CEST) (time of receipt). The Management Board shall use its dutiful discretion in deciding how to answer the questions. Answers will be provided during the live broadcast of the meeting, unless they are answered in a question-and-answer catalogue published in advance on the website.

### Possibility to object to resolutions of the general meeting pursuant to Section 1 (2) sentence 1 no. 4 COVID-19 Act

Shareholders who have duly registered and provided proof of their share ownership and their representatives may, from the beginning of the virtual general meeting until its end, in derogation of Section 245 no. 1 AktG, waiving the requirement to appear at general meeting via the shareholder portal available via the website

<http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings>

declare objections to resolutions of the I general meeting for the record if they exercise or have exercised their voting rights in accordance with the aforementioned provisions. Any other form of transmission of objections is excluded.

**Publications on the Company's website pursuant to Section 124a AktG**

Publications pursuant to Section 124a AktG regarding the general meeting can be found on the Company's website at <http://www.atoss.com/en-gb/Investor-Relations/Reports-Publications/General-Meetings>

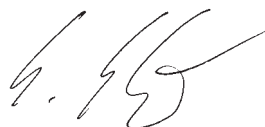
**Total number of shares and voting rights - additional disclosures pursuant to Section 49 (1) no. 1 of the German Securities Trading Act (WpHG)**

At the time of the announcement of the convening of the general meeting in the German Federal Gazette (Bundesanzeiger), the Company's share capital amounts to EUR 7,953,136.00 and is divided into 7,953,136 no-par value ordinary shares (no-par value shares). The shares are issued in bearer form. Each no-par share grants one vote. The total number of voting rights in the Company at the time of the announcement of the convening of the I general meeting in the German Federal Gazette thus amounts to 7,953,136. Of these 7,953,136 voting rights, a total of 0 voting rights from treasury shares are currently suspended (Section 71b AktG). The actual number of voting rights that are not suspended may still change before the general meeting.

Munich, March 2021  
ATOSS Software AG



Andreas F.J. Obereder  
Chief Executive Officer



Christof Leiber  
Member of the Management Board

**Information regarding data protection pursuant to Articles 13, 14 GDPR with regard to the processing of personal data for the purposes of the virtual general meeting**

This notice informs you about the processing of your personal data by ATOSS Software AG, Rosenheimer Strasse 141 h, 81671 Munich, Germany (hereinafter also referred to as "We" or "ATOSS") and the rights to which you are entitled under data protection law.

**1. Who is responsible for the data processing?**

The data controller is ATOSS Software AG, Rosenheimer Strasse 141 h, 81671 Munich, e-mail: [hauptversammlung@atoss.com](mailto:hauptversammlung@atoss.com), telephone: +49 89 4 27 71 0.

You can reach the data protection officer of ATOSS Software AG at

ATOSS Software AG  
Dr. Maximilian Hoffmann  
Rosenheimer Str. 141 h  
81671 Munich  
Germany  
Email: [datenschutz@atoss.com](mailto:datenschutz@atoss.com)

**2. For what purposes and on what legal basis is your data processed?**

ATOSS processes your personal data (in particular the name, address and other contact data of the shareholder, number of shares, type of share ownership, access card number and data) in connection with the virtual general meeting in accordance with the provisions of the General Data Protection Regulation ("GDPR"), the German Federal Data Protection Act ("BDSG"), the German Stock Corporation Act ("AktG") and all other relevant legal provisions. This is done only for the purposes provided for in the Stock Corporation Act. This includes the communication with shareholders and the handling of general meetings. Specifically:

The Company processes data provided by shareholders when registering for the general meeting or transmitted to the Company by their custodian banks for this purpose. Pursuant to Section 135 (5) sentence 2 AktG, a shareholder may authorise a credit institution, another intermediary or equivalent institutions pursuant to Section 135 (8) AktG, namely shareholder associations, voting rights advisors or persons who offer themselves to shareholders on a business basis to exercise voting rights in the virtual general meeting to represent him at the general meeting and to have his voting rights exercised on behalf of the person to whom they relate. In this case, only the personal data of the representative will be processed.

We process your personal data for the purpose of processing the registration and participation of shareholders in the general meeting by following the video and audio transmission of the entire general meeting (e.g. in order to check the right to participate) and to enable shareholders to exercise their rights in the context of the virtual general meeting (including the granting, revocation and proof of powers of attorney and instructions). Without the provision of the relevant data, your participation in the general meeting and the exercise of voting rights and other meeting-related rights is not possible.

This includes the following processing operations:

In connection with the registration of a shareholder for the 1<sup>st</sup> general meeting, ATOSS Software AG processes the necessary data provided by the shareholder or transmitted for this purpose by his custodian bank (in particular first and last names, place of residence or address, number of shares, class of shares, access card number and type of ownership).

Insofar as the participation in the virtual general meeting takes place by following the video and audio transmission of the entire general meeting by a representative, we process the personal data of the shareholder specified in the granting of the power of attorney as well as the first and last name and place of residence or address of the representative. In the event that power of attorney and instructions are issued to the proxies nominated by ATOSS, the instructions issued will also be processed and the granting of the power of attorney will be verifiably recorded by the Company for a period of three years.

Pursuant to Section 129 AktG, a list of participants with the following personal data is kept at the general meeting: Number of the access card, first and last name and place of residence of the represented shareholder or shareholder representative and of the proxy/proxies of the Company, number of shares, class of shares, number of voting rights and type of ownership.

Insofar as a shareholder requests that items be set out in the agenda, ATOSS Software AG will announce these items, stating the name of the shareholder if the prerequisites are met in accordance with the provisions of stock corporation law. Similarly, ATOSS Software AG will make counter motions and nominations for election by shareholders available on the ATOSS Software AG website, stating the name of the shareholder, if the requirements of stock corporation law are met (Sections 122 (2), 126 (1) and 127 AktG).

If you submit questions electronically prior to the general meeting in accordance with Section 1 (2) of the COVID-19 Act in conjunction with the requirements in the convocation of the general meeting or declare your objection to resolutions of the general

meeting electronically during the general meeting, we will process your personal data (name, address, e-mail address and access card number and data) in order to be able to process your question or objection.

The legal basis for the data processing operations described above is in each case is Section 67e AktG in conjunction with Article 6 (1) c) GDPR.

If you as a shareholder make use of the option to submit questions in advance of the virtual general meeting and your questions are dealt with there, your name will only be mentioned if you declare your consent to the disclosure of your name when submitting the question (Article 6 (1) a) GDPR). This consent is voluntary and can be revoked at any time with effect for the future. Please address the withdrawal of consent to the contact details above.

In addition, your personal data may also be processed for the purpose of fulfilling other legal obligations, such as regulatory requirements and obligations under stock corporation, commercial and tax law to retain data. The legal basis for the processing is the respective legal regulations in conjunction with Article 6 (1) (c) GDPR.

If it is intended to process your personal data for another purpose, you will be informed in advance within the framework of the statutory provisions.

### 3. To which categories of recipients will your data be passed on, if applicable?

In the following, we inform you about the categories of recipients to whom we pass on your personal data:

**External service providers:** For the organisation of the virtual general meeting (also for the production of the video and audio recordings as well as for the streaming of the webcast), we use external service providers who process your personal data according to our instructions in compliance with Article 28 GDPR.

**Shareholders/third parties:** As part of the statutory right to inspect the list of participants in the general meeting, shareholders may request to inspect the data recorded in the list of participants up to two years after the general meeting. The list of participants will also be made available to the Company's proxies present at the general meeting. Your personal data will also be published in accordance with the statutory provisions in the context of requests for additions to the agenda, counter motions or election proposals that require publication.

**Other recipients:** Within the scope of legal regulations, we may be obliged to transmit your personal data to further recipients, such as authorities and courts.

**4. How long will your personal data be stored?**

As a matter of principle, we delete or anonymise your personal data as soon as and insofar as they are no longer required for the purposes stated above, unless statutory obligations to provide proof and/or to retain data (including under the German Stock Corporation Act, the German Commercial Code, the German Fiscal Code or other legal provisions) oblige us to continue to store them. Data relating to general meetings are regularly deleted or made anonymous after three years. As soon as we have become aware of the sale of your shares, we will only store your personal data for a maximum of twelve months, subject to statutory provisions to the contrary. Beyond this, we will only store your personal data to the extent that further processing is necessary in individual cases in connection with claims asserted against ATOSS or on the part of ATOSS (statutory limitation period of up to 30 years).

**5. Do we transfer personal data outside Europe?**

There is no intention to transfer personal data to a third country.

**6. Does automated individual decision-making take place (including profiling)?**

We do not use purely automated individual decision-making procedures pursuant to Article 22 GDPR or profiling.

**7. What rights do you have?**

Insofar as we process personal data relating to you, you are entitled to the following rights with regard to the processing of your personal data within the framework of the legal requirements::

- Right of access to the data stored about you by ATOSS Software AG (Article 15 GDPR);
- Right to rectification of incorrect data stored about you (Article 16 GDPR);
- Right to have your data erased, in particular if it is no longer necessary for the purposes for which it was originally collected (Article 17 GDPR);
- Right to restriction of processing (blocking), in particular if the processing of your data is unlawful or the accuracy of your data is disputed by you (Article 18 GDPR);
- **Right to object to the processing of your data insofar as the processing is carried out solely for the purposes of safeguarding the legitimate interests of the Company (Article 21 GDPR);**
- Right to lodge a complaint: For complaints regarding the processing of your personal data, please contact our data protection officer using the contact details provided. Irrespective of this, you have the right to lodge a complaint with the competent data protection authority.



ATOSS.COM

ATOSS Software AG | Rosenheimer Str. 141 h | 81671 Munich | Germany

T +49 89 4 27 71 0 | [internet@atoss.com](mailto:internet@atoss.com) | [www.atoss.com](http://www.atoss.com)