

REMUNERATION REPORT

2022



Eckert & Ziegler
Contributing to saving lives

REMUNERATION REPORT

MAIN FEATURES OF THE REMUNERATION SYSTEM FOR THE EXECUTIVE BOARD

This remuneration report reflects the new remuneration system introduced as of 2022. The initial appointment to the Management Board is for 3 years. It has expired for all members of the Management Board, and due to the system, all members of the Executive Board have received a new Executive Board contract with effect from January 1, 2022.

The Executive Board remuneration system is designed to provide an incentive for the long-term successful development of the Company. A key aspect of the remuneration system is that, in addition to fixed compensation components, variable compensation components with a multi-year assessment basis are also agreed, so that the members of the Executive Board participate appropriately in both positive and negative developments. In determining the total remuneration and the allocation to individual remuneration components, particular account is taken of the area of responsibility assigned to each member of the Board of Management and their personal performance. In addition, the economic situation, performance and future prospects of the Company are included in the assessment. Finally, the remuneration should also be attractive and appropriate in comparison with the usual remuneration in the competitive environment and the remuneration structure in the Company, both in relation to senior management and the workforce.

The area of responsibility and the individual performance of the respective members of the Executive Board are of particular importance when it comes to determining total remuneration and the split between various remuneration components. Furthermore, the financial position, success and future outlook of the company are also included in this evaluation. Ultimately, remuneration should also be attractive and appropriate compared with the customary remuneration at competitors and within the context of the remuneration structure at Eckert & Ziegler, with regard to both the upper management level and the total workforce.

1. COMPOSITION OF THE REMUNERATION

The total compensation of the Executive Board consists of a fixed annual base compensation, including certain fringe benefits (together “Fixed Compensation”), and variable compensation components, on the one hand with short-term (“STI”), on the other hand with long-term evaluation criteria (“LTI”).

1.1 FIXED REMUNERATION

Fixed remuneration components are paid monthly as salary on a pro-rata basis. The members of the Executive Board also receive additional benefits in kind, which essentially consist of use of a company car, a telephone and insurance premiums. As a rule, these are equally available to all members of the Executive Board. The extent of fringe benefits, however, may vary depending on the individual member’s situation.

1.2 VARIABLE REMUNERATION COMPONENTS

In addition to their basic compensation, the members of the Executive Board generally receive two variable compensation components.

a) Short-term variable remuneration component, Short Term Incentive (STI)

The STI is primarily based on a percentage of the cumulative net income of the Group as a whole, whereby a segment for which the Executive Board is directly responsible may be weighted more heavily than other

ingly differentiated incentive structure is intended on the one hand to strengthen individual departmental responsibility and on the other hand to anchor the overall strategic development in the Company as part of the actions of the Board of Management. The multi-year assessment basis for the majority of the variable compensation and the partial payment of the variable compensation in shares of the Company or taking into account the share price ensure that the long-term positive development of the Company is reflected accordingly in the level of compensation.

2. DETERMINATION OF A MAXIMUM REMUNERATION AND RATIO OF FIXED AND VARIABLE MAXIMUM REMUNERATION

The fixed remuneration is based on market conditions and comparative values from other companies. For the two variable remuneration elements, performance orientation and sustainability are the basic principles for performance measurement. The Supervisory Board ensures that the targets for all elements of variable remuneration are ambitious, while at the same time ensuring a balanced risk-reward profile.

If the targets are not met, the short-term variable remuneration can fall to zero. If the targets are significantly exceeded, the short-term variable remuneration for Executive Board members is limited to a maximum of € 500 to 650 thousand.

The Long-term remuneration is paid in shares. Here, too, the remuneration can fall to zero. It is limited to a maximum number of shares per Executive Board member over the entire term of the contract.

A calculated maximum total remuneration can be calculated from the limited variable remuneration elements, the basic remuneration and the expense for fringe benefits. In addition, the Supervisory Board has defined an absolute euro value for the maximum payment of remuneration granted in a fiscal year in accordance with § 87a (1) sentence 2 no. 1 AktG. It is € 5 million per year for each Executive Board member. The maximum total remuneration includes all fixed and variable remuneration components. This limit may mean that the full number of shares or the full value for the maximum number of shares may not be paid out.

3. ORIENTATION OF REMUNERATION TOWARDS LONG-TERM AND SUSTAINABLE CORPORATE DEVELOPMENT

The Supervisory Board shall determine the specific target and maximum total remuneration for each member of the Board of Management. This remuneration shall be commensurate with the duties and performance of the member of the Board of Management and the situation of the Company, and shall not exceed the remuneration that is customary in comparison – both with other companies and with the Group – without special justification. As a suitable peer group for assessing the customary nature of the specific total remuneration in comparison with other companies, the Supervisory Board uses companies listed in the same stock market segment (Prime Standard) as the Company and having, on the one hand, similar total assets and, on the other hand, comparable EBIT.

Secondly, the Supervisory Board assesses the customary nature of the specific total remuneration of the Executive Board members within the Company. To this end, it looks at the ratio of the target total compensation of the individual Executive Board members both to the average total remuneration of senior management and to the average total remuneration of the entire workforce in Germany. In assessing the customary nature of the specific total remuneration, the Supervisory Board also takes into account the development over time of the ratios described above

4. SPECIAL CONTRACTUAL REGULATIONS

4.1 CLAWBACK-REGULATIONS

Violations of compliance with rules and the Group-wide compliance guidelines from previous periods can also decrease current bonuses retroactively. On the one hand, this is intended to emphasize the importance of compliance within Eckert & Ziegler Strahlen- und Medizintechnik AG. On the other hand, in the interests of sustainable development, the Group's reputation is to be strengthened by a contemporary, value-based corporate culture.

4.2 ADJUSTMENT OF THE REMUNERATION

The Supervisory Board is entitled to reduce the remuneration of the Executive Board in accordance with Section 87 (2) AktG. It also reserves the right to consider extraordinary developments to an appropriate extent. In justified cases, the variable remuneration may be withheld or reclaimed.

4.3 SEVERANCE PAYMENTS AND NON-COMPETITION CLAUSES

No severance payments have been agreed on in the event of premature or regular termination of a member's term on the Executive Board. However, post-contractual non-competition clauses were agreed for Dr. Hasselmann and Dr. Helmke, according to which 50% of their average monthly compensation over the last year is to be paid over a period of one year after termination of the employment relationship as compensation for the prohibition of employment in the industry.

5. IMPLEMENTATION AND ONGOING EVALUATION OF THE REMUNERATION SYSTEM

The remuneration system adopted by the Supervisory Board is implemented by the Supervisory Board as a whole when the individual Executive Board employment contracts are concluded. In addition, the Compensation Committee of the Supervisory Board reviews the compensation system on an ongoing basis and, if a need for adjustment is identified, discusses and decides on any changes to the system and informs the full Supervisory Board of any adjustment measures it considers appropriate or necessary. Changes to the remuneration system will be decided by the full Supervisory Board. In the event of changes, the Supervisory Board will submit the amended remuneration system to the next Annual General Meeting for approval.

BASIC FEATURES OF THE REMUNERATION SYSTEM FOR THE SUPERVISORY BOARD

The members of the Supervisory Board receive fixed annual remuneration of €18,000. The Chairman receives fixed annual remuneration of €36,000, the Vice Chairman an amount of €24,000. Members of the Audit Committee receive additional fixed annual remuneration of €8,000. The Chairman of the Audit Committee receives fixed annual remuneration of €16,000. Members of other committees receive additional fixed annual remuneration of €5,000 if these committees meet. If the membership does not last a full fiscal year, the respective member receives the remuneration pro rata temporis. In addition to the fixed annual remuneration, the members of the Supervisory Board receive an attendance fee of €1,000 for each Supervisory Board meeting attended. In the reporting period, the Company had an Audit, Remuneration and Nomination Committee. As the Nomination Committee was not established until 2022, the members of the Nomination Committee receive remuneration pro rata temporis.

The following table shows the compensation granted and owed to each current or former member of the Executive Board and Supervisory Board by the Company and by the companies of the same Group. Remuneration is granted if it actually accrues to the board member and is therefore transferred to his or her assets. Remuneration is owed if the Company has a legal obligation to the board member that is due but not yet fulfilled. If such compensation is not yet due, it is a promised compensation.

Total remuneration of the Executive Board

The following table shows the total remuneration and the remuneration components of the Executive Board members:

Information on the Total Remuneration and Remuneration Components										
Name of the Member, Position	Fixed Remuneration Components in €			Variable Remuneration Components in €			Pension Expense in €	Total Remuneration in €	Relative Share of Variable Remuneration in Total Remuneration in %	Relative Share of Fixed Remuneration in Total Remuneration in %
	Base Salary	Share-based remuneration	Other Ancillary benefits	Short-term (≤ 1 Y.)	Long-term (> 1 Y.)					
Dr. Andreas Eckert, Chairman of the Executive Board	360,000		41,370		500,000			901,370	55.47	44.53
Dr. Harald Hasselmann, Executive Board Member	250,000		42,491		250,000	614		543,104	46.03	53.86
Dr. Lutz Helmke, Executive Board Member	210,000		43,225		300,000	1,800		555,025	54.05	45.62

Dr. Helmke has concluded a company pension contract with Allianz Lebensversicherungs AG via the group contract of Eckert & Ziegler AG, using the implementation method of a direct insurance policy with deferred compensation. The payments made to the insurance company by Dr. Helmke (monthly deferred compensation amounting to € 370) are included in his basic salary. Eckert & Ziegler AG subsidizes this insurance premium with a monthly payment of € 150 (€ 1,800 per year).

Dr. Edgar Löffler is a former member of the Executive Board. Following his retirement in 2016, he receives monthly pension payments from a provident fund. In fiscal year 2022, his pension benefits amounted to € 55,303. As the claim to benefits from the company pension scheme in the implementation mode of a provident fund is directed against the employer, Dr. Löffler's pension payments are first transferred to Eckert & Ziegler AG and then paid to Dr. Löffler after deduction of income tax.

The long-term development of the Company is ensured by structuring the variable remuneration in the form of participation in Group EBIT for the Chairman of the Executive Board and in Group net income excluding the contribution of the segment for which the respective Executive Board member is responsible, as well as in net income for the segment for which the respective Executive Board member is responsible for the other Executive Board members.

Due to the good economic situation of the company, the Supervisory Board saw no need to reduce the remuneration of the Executive Board.

The following table contains information on the applied performance criteria. In the legacy contracts, no target values had yet been set for the performance criteria used to measure variable remuneration; only maximum amounts for the variable remuneration components were agreed. In 2022, the variable remuneration achieved in 2021 was paid out.

Information on the applied Performance Criteria					
Name of the Member, Position	Description of the Performance Criteria	Relative Weighting of the Performance Criteria	Information on the Performance Targets		Target achievement value in €
			a) Minimum Target	a) Target Value	a) Measured Performance
			b) Corresponding Remuneration	b) Corresponding Remuneration	b) Corresponding Remuneration
Dr. Andreas Eckert Chairman of the Executive Board	Since 2011, the long-term variable remuneration consists of a percentage share in the Group's EBIT accumulated over a five-year period (subsequently three-year periods) amounting to 1.67%. An annual installment is paid on the long-term variable compensation. The long-term variable remuneration is limited to a total of €2.5 million (for 5 years) and €1.5 million (for 3 years). The annual progress payment may not exceed €500 thousand. The new three-year period started in fiscal 2019 and ends in 2021. The Group's EBIT for fiscal year 2021 amounts to €47.45 million.	100%	a) The minimum target along with the corresponding remuneration was not specified. b) 500,000	a) Target value along with the corresponding remuneration was not set b) 500,000	a) 792,415 b) 500,000
Dr. Harald Hasselmann Member of the Executive Board	The long-term variable remuneration consists of two parts: A) percentage participation in the average net income of the Therapy segment, calculated for each of the last three financial years at a rate of 2%. An annual installment payment is made on the long-term variable remuneration. The annual advance payment may not exceed €150 thousand. The new three-year period began in the 2020 financial year. The average net income of the Therapy segment in fiscal year 2021 is €8.9 million.	60%	a) The minimum target along with the corresponding remuneration was not specified. b) 150,000	a) Target value along with the corresponding remuneration was not set b) 150,000	a) 178,000 b) 150,000
	B) percentage share in the average net income of the remaining segments (excluding the Therapy segment), calculated for each of the last three financial years at a rate of 1%. An annual installment is paid on the long-term variable annual installment payment is made on the long-term variable compensation. The annual installment payment may not exceed €100 thousand. The new three-year period began in fiscal 2020. The average consolidated net income excluding the Therapy segment in the financial year 2021 is €20.35 million.	40%	a) The minimum target along with the corresponding remuneration was not specified. b) 100,000	a) Target value along with the corresponding remuneration was not set b) 100,000	a) 203,500 b) 100,000
Dr. Lutz Helmke Member of the Executive Board	The long-term variable remuneration consists of two parts: A) percentage participation in the net income of the Radiopharma segment accumulated over a three-year period (2019–2021), amounting to 2%. An annual down payment is made on the long-term variable compensation. The annual down payment may not exceed €250 thousand. The net income for the Radiopharma segment in fiscal year 2021 amounts to €13.96 million.	83.33%	a) The minimum target along with the corresponding remuneration was not specified. b) 250,000	a) Target value along with the corresponding remuneration was not set b) 250,000	a) 279,160 b) 250,000
	B) percentage participation in the net income of the remaining segments (excluding the Radiopharma segment) accumulated over a three-year period (2019–2021) in the amount of 0.5%. An annual advance payment is made on the long-term variable remuneration. The annual advance payment may not exceed €50 thousand. The net income for the remaining segments in fiscal year 2021 amounts to €20.57 million.	16.67%	a) The minimum target along with the corresponding remuneration was not specified. b) 50,000	a) Target value along with the corresponding remuneration was not set b) 50,000	a) 102,845 b) 50,000

Starting 2022, the performance criteria will be adjusted in connection with the new Executive Board contracts. The target achievement values in the following table (maximum amount) will be paid out in 2023.

Information on the applied Performance Criteria					
Name of the Member, Position	Description of the Performance Criteria	Relative Weighting of the Performance Criteria	Information on the Performance Targets		Target achievement value in €
			a) Minimum Target	a) Target Value	a) Measured Performance
			b) Corresponding Remuneration	b) Corresponding Remuneration	b) Corresponding Remuneration
Dr. Andreas Eckert Chairman of the Executive Board	A) Short-term variable compensation: annual bonus is based on the net profit of the Eckert und Ziegler Group in the respective fiscal year; if this exceeds €24 million, 5% is calculated on the excess return.	100%	a) 24,000,000	a) 37,000,000	a) 29,300,000
			b) 0	b) 650,000	b) 265,000
	B) Long-term variable compensation: for the Group's cumulative excess return at the end of the contract term (3 years) 1,200 shares per €1 million excess return, basis net profit €25 million max 40,000 shares, value may not exceed max compensation from the 2020 AGM (€5 million), payment due when the		a) 25,000,000	a) 58,333,333	a) 29,300,000
			b) 0	b) 40,000 pieces	b) 5,160 pieces
Dr. Harald Hasselmann Member of the Executive Board	A) The short-term variable compensation consists of two parts: 1.) The annual bonus is based on the net profit of the CSO Medical segment; if this exceeds €17 million, 5% is calculated on the excess return.	80%	a) 17,000,000	a) 25,000,000	a) 16,300,000
			b) 0	b) 400,000	b) 0
	2) The annual bonus is based on the net profit of the rest of the Eckert & Ziegler Group (excluding the CSO Medical segment); if this exceeds €7 million, 2% is calculated on the excess return.	20%	a) 7,000,000	a) 12,000,000	a) 13,000,000
			b) 0	b) 100,000	b) 100,000
B) Long-term variable compensation: for the cumulative excess return of the Group at the end of the contract term (4 years) 500 shares per €1 million excess return, basis net profit €25 million max 25,000 shares, value may not exceed the max compensation from the AGM 2020 (€5 million), payment is due when the annual financial statements of the last fiscal year of the contract term are adopted.		a) 25,000,000	a) 75,000,000	a) 29,300,000	
		b) 0	b) 25,000 pieces	b) 2,150 pieces	
Dr. Lutz Helmke Member of the Executive Board	A) The short-term variable compensation consists of three parts: 1) The annual bonus is based on the net profit of the segment COO Medical, if this is above €17 million 5% will be calculated on the excess return.	65%	a) 17,000,000	a) 25,000,000	a) 16,300,000
			b) 0	b) 400,000	b) 0
	2) The annual bonus is based on the net profit of the rest of the Eckert & Ziegler Group (excluding the COO Medical segment); if this exceeds €7 million, 2% is calculated on the excess return.	16%	a) 7,000,000	a) 25,000,000	a) 13,000,000
			b) 0	b) 400,000	b) 100,000
3) Qualitative premium on defined projects, their fulfillment, completion, achieved savings, process improvements in the amount of 20 thousand € each over the contract period.	19%	a) 0	a) 6	a) 0	
		b) 0	b) 120,000	b) 0	
B) Long-term variable compensation: for the cumulative excess return of the Group at the end of the contract term (3 years) 500 shares per €1 million excess return, basis net profit €25 million max 25,000 shares, value may not exceed the max compensation from the AGM 2020 (€5 million), payment is due when the annual financial statements of the last fiscal year of the contract term are adopted		a) 25,000,000	a) 75,000,000	a) 29,300,000	
		b) 0	b) 25,000 pieces	b) 2,150 pieces	

The vertical comparison pursuant to Section 162 (1) sentence 2 no. 2 AktG is presented below. In the fiscal year 2022, only one annual change is reported for all three comparative figures (remuneration of board members, earnings performance of the company and average remuneration of employees). The vertical comparison for all three variables will be built up successively over a five-year period from 2021 to 2025.

Disclosure on the Comparison of Remuneration pursuant to Sec. 162 (1) Sentence 2 No. 2 AktG					
Change from previous year in %	Fy-4 vs Fy-5	Fy-3 vs Fy-4	Fy-2 vs Fy-3	Fy-1 vs Fy-2	Fy vs Fy-1
Change in Remuneration of Members of Governing Bodies					
Dr. Andreas Eckert Chairman of the Executive Board				329.19	-74.99
Dr. Harald Hasselmann Member of the Executive Board				35.72	6.79
Dr. Lutz Helmke Member of the Executive Board				0.21	22.20
Revenue Development of the Corporation					
Net Income EZAG* according to HGB (stand alone)				30.19	-16.76
Net Income E&Z Group				50.88	-15.20
EBIT E&Z Group				40.85	-6.13
Average Remuneration of Employees					
Employees of the German Companies				3.87	7.12

* net income for the year

In addition to the agreed fixed salary, the Chairman of the Executive Board, Dr. Andreas Eckert, was promised share-based remuneration, which was earned over several years and accrued to him in 2021. This share-based remuneration amounted to €2,763,518 in 2021. With regard to the rate of change, this remuneration leads to a special effect in both 2021 and 2022. In terms of the Company's earnings performance, in addition to the "net income" indicator required by law, we also report consolidated net income and consolidated EBIT because these performance criteria form the basis for measuring the variable remuneration of the members of the Board of Management.

The following table shows the shares promised and granted to the members of the Executive Board:

Information on the Shares Granted or Promised			
Name of the Member, Position	Information on the Financial Year		
	Opening Balance	Change	Closing Balance
	01.01.2022 Shares held	Shares promised or granted in 2022	31.12.2022 Shares held
Dr. Andreas Eckert Chairman of the Executive Board	0	5,160 shares	5,160 shares
Dr. Harald Hasselmann Member of the Executive Board	0	2,150 shares	2,150 shares
Dr. Lutz Helmke Member of the Executive Board	0	2,150 shares	2,150 shares
	0	9,460 shares	9,460 shares

Total remuneration of the Supervisory Board

The following table contains details of the remuneration granted and owed to current Supervisory Board members in 2022. The remuneration granted relates to Supervisory Board activities in the 2021 financial year.

Information on Remuneration Granted and Owed to Current and Former Members of the Supervisory Board						
Members of the Supervisory Board	Fixed Remuneration Components in €		Variable Remuneration Components in €	Total Remuneration in €	Relative Share of Variable Remuneration in Total Remuneration in %	Relative Share of Fixed Remuneration in Total Remuneration in %
	Fixed Remuneration	Committee activity	Attendance fee			
Prof. Dr. Wolfgang Maennig (Chairman)	36,000	0	6,000	42,000	14%	86%
Prof. Dr. Helmut Grothe (Vice Chairman)	24,000	4,250	6,000	34,250	18%	82%
Albert Rupprecht	18,000	4,250	6,000	28,250	21%	79%
Dr. Edgar Löffler	18,000	8,250	6,000	32,250	19%	81%
Jutta Ludwig (bis 31.12.2022)	18,000	0	6,000	24,000	25%	75%
Frank Perschmann	18,000	12,250	6,000	36,250	17%	83%
Total	132,000	29,000	36,000	197,000		

The Remuneration Committee of the Supervisory Board consists of Dr. Edgar Löffler and Frank Perschmann. Until June 1, 2022, the members of the Audit Committee were Prof. Dr. Helmut Grothe, Albert Rupprecht, Dr. Edgar Löffler and Frank Perschmann. Since June 1, 2022, the Audit Committee has been made up of Albert Rupprecht and Prof. Dr. Helmut Grothe. In addition, a Nomination Committee was established in 2022.

AUDITOR'S REPORT

To Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin

Audit Opinion

We have formally audited the remuneration report of Eckert & Ziegler Strahlen- und Medizintechnik AG, Berlin, for the fiscal year from January 1 to December 31, 2022, to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made. In accordance with Section 162 (3) AktG, we have not audited the content of the remuneration report.

According to our assessment, the accompanying remuneration report complies, in all essential aspects, with the disclosures pursuant to § 162 (1) and (2) AktG. Our audit opinion does not cover the content of the compensation report.

Basis for the Audit Opinion

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG and IDW Auditing Standard: The Audit of the remuneration report in accordance with Section 162 (3) AktG (IDW PS 870). Our responsibility under that provision and standard is further described in the "Auditor's Responsibility" section of our report. As an auditing practice, we have complied with the requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Practice of Public Accountants (IDW QS 1). We have complied with the professional duties pursuant to the Wirtschaftsprüferordnung (German Auditors' Code) and the professional statutes for auditors/sworn accountants, including the requirements for independence.

Responsibility of the Executive Board and the Supervisory Board

The Executive Board and the Supervisory Board are responsible for the preparation of the remuneration report, including the related disclosures, which complies with the requirements of Section 162 AktG. Furthermore, they are responsible for internal controls they deem necessary to enable the preparation of the remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our objective is to obtain reasonable assurance about whether the disclosures pursuant to section 162 (1) and (2) AktG have been made in all material respects in the remuneration report and to express an opinion thereon in an audit report.

We planned and performed our audit to obtain evidence about the formal completeness of the compensation report by comparing the disclosures made in the remuneration report with the disclosures required by Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we did not verify the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the compensation report.

Dealing with any Misleading Representations

In correlation with our audit, we have a responsibility to read the remuneration report in the light of knowledge obtained in the audit of the financial statements, and to remain alert for indications as to whether the remuneration report contains misleading representations as to the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures, or the fair presentation of the remuneration report.

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

Berlin, 29 March 2023

BDO AG
Wirtschaftsprüfungsgesellschaft

gez. Pfeiffer
Wirtschaftsprüfer
[Public Auditor]

gez. Nekhin
Wirtschaftsprüfer
[Public Auditor]

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