



## **Management Board Remuneration System 2026+**

**This document is a courtesy translation. The German original is the only legally binding version.**

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## 1 Core principles and objectives of the remuneration system

The remuneration system for members of the Management Board of Carl Zeiss Meditec AG is designed to promote the implementation of a long-term, value-oriented and sustainable corporate strategy. It creates incentives for the enduring and successful development of the Company and supports the retention of high-performing and experienced managers over the extended term.

The system is designed to be clear and transparent. It conforms to the requirements of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code in the version from 22 April 2022 (DCGC 2022). At the same time, it enables the Supervisory Board to react flexibly to organizational changes or evolving market conditions.

The Supervisory Board is responsible for determining and structuring the remuneration of the Management Board. The General and Personnel Committee prepares the decisions of the Supervisory Board and submits corresponding proposals. The applicable regulations concerning the handling of potential conflicts of interest are observed in all decisions.

The aim of the remuneration system is to offer the members of the Management Board competitive remuneration in line with the market in order to attract and retain the best managers for the Company in the long term. When setting the remuneration, the Supervisory Board is guided by the following principles in particular:

- » **Appropriateness:** Remuneration is based on the tasks and responsibilities of the individual members of the Management Board, their individual performance and future development potential, as well as on the economic situation of the Company.
- » **Market conformity:** The appropriateness of the remuneration is regularly assessed on the basis of an external comparison with the compensation of management board members at comparable companies. As a rule, MDAX companies with a market capitalization of between 50% and 150% of that of Carl Zeiss Meditec AG at the end of the previous fiscal year are taken into account. Other factors, such as company size, free float or number of employees, can also be considered.
- » **Long-term orientation:** The variable remuneration is intended to create incentives for long-term and sustainable corporate development. The aim is to harmonize the interests of the members of the Management Board with those of the shareholders and to promote the long-term success of the Company.
- » **Risk minimization:** The remuneration structure is designed to avoid providing incentives to take inappropriate risks. Failure to meet targets leads to a corresponding reduction in variable remuneration.
- » **No rigid internal remuneration ratio:** No fixed internal ratio is defined between the remuneration of the Management Board and other employee groups. This is due to the global structure of the Company, the regional differences in remuneration levels and the fact that the majority of employees are bound by collective agreements.

## 2 Involvement of the Annual General Meeting, application and review

The remuneration system for the members of the Management Board is submitted to the Annual General Meeting of Carl Zeiss Meditec AG for approval in accordance with Section 120a (1) AktG. In the event of significant changes, but at least every four years, the Supervisory Board reviews the system and re-submits it to the Annual General Meeting for approval.

This remuneration system will apply to all new Management Board service contracts and all contract renewals as of the beginning of the 2025/26 fiscal year.

The Supervisory Board may consult external, independent remuneration experts when developing, reviewing and applying the remuneration system. This is to ensure that the remuneration system is designed objectively and in line with the market. Care is taken to ensure the independence of these experts from the Management Board and the Company.

When reviewing the remuneration system, the Supervisory Board takes into account both the economic development of the Company and the changing regulatory and market-related conditions. The aim is to continuously align the remuneration system with the strategic orientation and long-term interests of the Company and its shareholders.

In exceptional cases, the Supervisory Board may deviate from the provisions of the remuneration system if this is necessary in the long-term interests of the Company. The precondition for this is extraordinary developments that objectively justify such a deviation. Any such deviations and their underlying reasons must be fully disclosed in this case.

## 3 Remuneration components

The total remuneration of the members of the Management Board of Carl Zeiss Meditec AG is made up of fixed and variable components. The remuneration system ensures that the total remuneration is proportionate to the tasks and performance of the respective Management Board member as well as to the position of the Company.

The remuneration is structured to provide a solid base level of security on the one hand, and on the other, to create incentives for sustainable and successful corporate development through variable, performance-related components. The target total remuneration level generally consists of approximately 40 to 50% fixed base salary, around 30 to 40% short-term variable remuneration (STI) and roughly 20 to 30% long-term variable remuneration (LTI).

The remuneration consists of the following components:

### 1. Fixed remuneration (fixed components)

- » Fixed annual remuneration
- » Fringe benefits
- » Pension allowance or company pension scheme

### 2. Variable remuneration (performance-related components)

#### » Short-term variable remuneration (STI - Short-Term Incentive):

This component rewards the annual operational performance of the Management Board and is based on key financial and, where applicable, individual targets.

#### » Long-term variable remuneration (LTI - Long-Term Incentive):

This component promotes a sustainable increase in the value of the Company and is based on multi-year performance targets.

The combination of fixed and variable components is intended to ensure a balance between short-term operational performance and long-term, sustainable corporate development. Although short-term variable remuneration holds a slightly higher weighting in the target structure, the components focused on long-term and multi-year horizons

contribute significantly to fostering sustainable value creation for the Company. At the same time, the maximum achievable value of the LTI may exceed that of the STI.

The Supervisory Board determines the amount and weighting of the individual remuneration components for each member of the Management Board within the framework of the remuneration system. In doing so, it ensures a clear separation between non-performance-related and performance-related components and an appropriate ratio between fixed and variable remuneration.

### **3.1st Fixed remuneration**

The fixed remuneration comprises a fixed, non-performance-related basic annual remuneration which is paid monthly as a salary, as well as fringe benefits and a Company pension scheme.

The fixed remuneration forms the basis of the total remuneration and provides financial security for the members of the Management Board. It rewards the tasks and responsibilities performed on a long-term basis, irrespective of short-term successes.

#### **a) Fixed annual remuneration**

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

The amount is based on the respective areas of responsibility, the experience, and the scope of duties of the Management Board member. The basic annual remuneration is reviewed regularly and can be adjusted if necessary in line with market developments.

#### **b) Fringe benefits**

In addition to the basic annual remuneration, the members of the Management Board receive fringe benefits in line with market practice. These include in particular:

- » the private use of a Company car or an equivalent cash allowance,
- » the use of a driver for the President and CEO, if required,
- » contributions to pension schemes, as well as to health and long-term care insurance,
- » the assumption of insurance premiums (e.g. D&O insurance) and
- » reimbursement of necessary relocation or accommodation costs incurred in connection with the performance of duties.

These fringe benefits are part of the fixed remuneration and are not offset against variable components.

#### **c) Company pension scheme**

The members of the Management Board participate in a company pension scheme designed to provide long-term financial security in retirement and to promote long-term loyalty to the Company. The specific structure – a defined contribution plan or final salary-based pension, for instance – depends on the individual contractual agreements and is based on the standards applicable within the ZEISS Group.

##### **i. President and CEO**

There is no company pension scheme for the President and CEO. The President and CEO receives a fixed annual pension allowance which is paid in addition to the basic annual remuneration. This pension allowance is used for private pension provision and replaces in full the former company pension scheme. No pension entitlements against the Company are created.

##### **ii. Other members of the Management Board**

For the other members of the Management Board, there is a defined contribution plan based on the same terms and conditions as those applicable to the employees of the ZEISS Group. For each fiscal year, depending on the

performance of the ZEISS Group, a contribution of between 1% and 5% of the annual base salary is converted into a pension component using interest- and age-dependent conversion factors.. The monthly pension is determined from the sum of all pension modules acquired during the period of service.

The pension scheme is in line with the standard market practice of comparable companies listed in the MDAX and TecDAX and supports the long-term commitment of the members of the Management Board to the Company.

### **3.2nd Performance-related, variable remuneration components**

Variable remuneration is a key instrument for promoting the sustainable and long-term corporate development of Carl Zeiss Meditec AG. It provides targeted incentives for the implementation of strategic and operational corporate goals and ensures that the interests of the members of the Management Board are aligned with those of the shareholders.

The variable remuneration consists of two components:

- **Short-term incentive, STI):** rewards annual operational performance and the implementation of short-term corporate targets.
- **Long-term incentive, LTI):** promotes the sustainable increase in corporate value over a multi-year period.

Both remuneration components are clearly performance-related and together form a balanced system that links short-term success with long-term value creation. The target values, weightings and assessment bases are determined by the Supervisory Board at the beginning of each fiscal year. Here, the Supervisory Board focuses primarily on the financial targets revenue, operating profit (EBIT), and free cash flow (FCF). In the view of the Supervisory Board, these represent proven indicators for the sustainable increase in corporate value and are derived from the income statement, the balance sheet, and the cash flow statement. For the calculation of financial key performance indicators, an expanded scope of consolidation may be used, deviating from the scope of consolidation of Carl Zeiss Meditec AG, to include the non-consolidated sales companies of the Carl Zeiss Group with their medical technology business share. The Supervisory Board is convinced that the inclusion of all sales companies relevant to Carl Zeiss Meditec AG ensures a fair and market-oriented performance assessment.

In addition, non-financial performance targets (such as ESG targets) that are geared towards sustainable and long-term corporate development can be included. These encompass, in particular, emissions and occupational safety targets, as well as objectives related to strategic corporate projects, such as the implementation of a new enterprise resource planning (ERP) system planned over several fiscal years. In addition, personal targets may be set which are tailored to the respective area of responsibility and scope of duties of the individual Management Board member.

Subsequent changes to these parameters are excluded to ensure that the variable remuneration is based solely on predefined criteria and that the transparency of the remuneration system is maintained. In the event of extraordinary, unforeseen developments, the effects of which were not sufficiently taken into account in the target setting and which render the original corporate targets obsolete, the Supervisory Board may, in justified exceptional cases, take these into account appropriately when determining target achievement. Generally adverse market developments are expressly not considered extraordinary developments within the meaning of this provision.

#### **a) Short Term Incentive, STI / VCS bonus (variable)**

The short-term variable remuneration (short-term incentive, STI), also known as the value creation share (VCS), rewards operating success achieved in the respective fiscal year. Its purpose is to ensure that the members of the Management Board participate in the ongoing increase in the value of the Company.

The achievement of STI targets is measured primarily on the basis of financial indicators derived from Carl Zeiss Meditec AG's annual corporate planning. The key performance indicators are revenue, operating profit (EBIT) and free cash flow (FCF). The extended scope of consolidation described above can be used to calculate the financial ratios.

With regard to other performance indicators, different rules apply to the President and CEO on the one hand and the other members of the Management Board on the other:

**i. President and CEO**

In addition to the above-mentioned performance indicators, non-financial performance targets (e.g. ESG targets) that are geared towards sustainable long-term corporate development can also be taken into account when measuring the achievement of STI targets by the President and CEO. ESG targets can be defined for both the ZEISS Group and Carl Zeiss Meditec AG. The assessment basis is generally an absolute amount calculated as approximately two thirds of the annual base salary of the respective Management Board member in the first year of their contract, and remains constant throughout the term of the Management Board agreement.

**ii. Other members of the Management Board**

For the other members of the Management Board, in addition to the performance indicators mentioned above, key metrics from the income statement, the balance sheet, and the cash flow statement of the ZEISS Group, to which Carl Zeiss Meditec AG makes a significant contribution, may also be incorporated. As a general rule, the assessment base is two-thirds of the annual base salary. However, the weighting of these indicators derived from the ZEISS Group's accounting must be lower than that of the metrics derived from Carl Zeiss Meditec AG's accounting. In addition, non-financial targets (e.g. ESG), which can be defined for both the ZEISS Group and Carl Zeiss Meditec AG, as well as personal target agreements can be taken into account.

At the beginning of each fiscal year, the Supervisory Board sets the specific financial and non-financial performance targets and, if applicable, personal targets. The weighting of the individual target components can vary depending on the area of responsibility of the respective Management Board member. After the end of the fiscal year, the Supervisory Board reviews target achievement and determines the amount to be paid out. Depending on the degree of target achievement, the amount paid out can range from 0% (if the target is not met) up to 200% of the target value (if the target is exceeded by a significant amount). Payment is made in cash after the audited annual financial statements for the fiscal year ended have been approved.

The STI ensures that short-term remuneration reflects the operational performance, profitability and value development of the Company without incentivizing excessive risk-taking. To ensure a consistent performance orientation, the STI system is also cascaded to the Company's senior management in an adapted form, thereby guaranteeing a uniform target system throughout the entire organization.

## **b) Long Term Incentive, LTI / value-based compensation (variable)**

The multi-year variable remuneration (Long Term Incentive, LTI) serves to promote a sustainable and long-term increase in the value of Carl Zeiss Meditec AG and the ZEISS Group. It extends over a three-year performance period and links the remuneration of the Management Board directly to the long-term development of the Company. The basis for target setting is the Company's medium-term financial planning and its strategic orientation. The LTI may incorporate financial as well as non-financial objectives; here, too, the extended scope of consolidation can be utilized for these calculations. Furthermore, key indicators from the income statement, the balance sheet, and the cash flow statement of the ZEISS Group, to which Carl Zeiss Meditec AG makes a significant contribution, may also be incorporated. However, these key figures derived from the ZEISS Group's accounting may not be weighted more heavily than those from the financial reporting of Carl Zeiss Meditec AG. Integrating ZEISS Group performance indicators into long-term compensation reinforces the enduring ties to the ZEISS Group. In the Supervisory Board's view, this significantly benefits Carl Zeiss Meditec AG, particularly by providing access to an extensive network of experienced leadership talent across the Group.

### **i. President and CEO**

The LTI is based on an assessment amount of approximately two-thirds of the President and CEO's annual base salary received during the first year of the Management Board contract. The resulting absolute amount serves as the LTI base value for the duration of the Management Board contract. At the end of the performance period, target achievement is determined on the basis of predefined targets derived from Carl Zeiss Meditec AG's medium-term planning. This may include both financial and non-financial components. At the end of the performance period, the target achievement determined is applied to the LTI base value, resulting in the final payout amount.

No interest is paid on the base value. Payment is made in cash after the end of the performance period, at the earliest with the December salary of the following year, provided the agreed conditions are met.

Overfulfillment of the defined targets is possible up to 200% of the target value (cap). If targets are not met, the payout is reduced proportionally and may be forfeited in its entirety. This regulation ensures that the long-term variable remuneration of the President and CEO is clearly performance-oriented, while promoting the long-term success of the Company without creating incentives to take inappropriate risks.

### **ii. Other members of the Management Board**

The LTI is also based on a three-year performance period for the other members of the Management Board. The basis of assessment is two thirds of the basic annual remuneration, multiplied by a weighting of 40-60% (depending on the individual contractual provisions). This yields the corresponding LTI base value of 100%.

Interest is paid annually on the calculated base value for each of the three years of the performance period. The interest rate is set by the Supervisory Board at the beginning of each fiscal year and can amount to a maximum of 10%. At the end of the performance period, target achievement is determined on the basis of the cumulative results over the entire performance period and applied to the sum of the base value and the interest accrued during the term. Payment is only made if at least 85% of the defined targets are achieved. Target overfulfillment is possible up to 150% of the target value (cap). If target achievement falls below 85%, the payout is forfeited in its entirety.

Payment is made in cash after the end of the performance period, at the earliest with the December salary of the following year, provided the agreed conditions are met.

Eligibility for payment is only established if the Management Board member

- » holds an active, non-terminated employment contract with Carl Zeiss Meditec AG or another ZEISS Group entity at the payment date,
- » the employment was not terminated or dissolved through the board member's own fault,



- » at least 85% of the set LTI targets have been achieved, and
- » the ZEISS Group's equity ratio is above 20% at the time of payment.

If no audited consolidated financial statements of the ZEISS Group are available at the time of payment, the payment is not due until the corresponding audit certificate is available.

In accordance with the provisions of the ZEISS Group, the entitlement to the LTI payout may lapse in whole or in part if exceptional circumstances arise that make implementation of the program rules significantly more difficult or impossible. This applies in particular if the Company or the ZEISS Group encounter financial difficulties ("crisis situations") or if the Management Board member violates material legal or contractual obligations. In such cases, the Company is entitled to adjust the payment conditions or to completely revoke the commitment to pay the LTI within a reasonable period of time.

### **c) Target system and strategic alignment**

This structure ensures that the variable remuneration maintains a balance between performance and risk and does not create incentives to take inappropriate risks. It directly links the remuneration of the Management Board to the sustainable development and strategic orientation of Carl Zeiss Meditec AG.

The underlying performance indicators – in particular the financial metrics revenue, operating profit (EBIT), and free cash flow (FCF) – reflect key value drivers of the corporate strategy, such as sustainable profitability, efficient capital utilization, and long-term stability. Non-financial targets, such as ESG criteria or individual management and development targets, can also be agreed.

Corresponding targets and performance indicators also apply in an adapted form to the senior management of Carl Zeiss Meditec AG in order to ensure uniform and consistent implementation of the corporate strategy across all management levels. The Supervisory Board determines the specific target weighting for each member of the Management Board on an annual basis.

The remuneration system thus ensures performance-based, transparent and strategically consistent remuneration that is geared towards sustainable value creation for the Company.

### **3.3rd Maximum remuneration, other provisions**

To ensure the appropriateness of the total remuneration while complying with regulatory requirements, the Supervisory Board sets an absolute upper limit for the annual remuneration of each member of the Management Board (maximum remuneration). This maximum remuneration comprises all remuneration components, i.e. the basic annual remuneration including fringe benefits and company pension scheme as well as the short-term and long-term variable remuneration components.

The following maximum remuneration applies to Carl Zeiss Meditec AG:

- » President and Chief Executive Officer: €5.0 million (total remuneration per fiscal year)
- » Other members of the Management Board: €2.0 million (total remuneration per fiscal year)

The maximum remuneration ensures that the total remuneration remains commensurate with the performance and economic situation of the Company, even if the targets are exceeded by an above-average amount. It is not possible to exceed the specified maximum remuneration. If the actual target achievement results in higher calculated remuneration, the payout amount will be capped accordingly at the predefined maximum.

In addition, the retroactive adjustment of targets or benchmarking parameters for variable compensation is strictly prohibited as a matter of principle. This ensures the transparency and traceability of the remuneration system and strengthens its integrity.

This framework guarantees that the remuneration policy of Carl Zeiss Meditec AG aligns with the principles of performance-based, transparent pay while maintaining responsible caps consistent with sound corporate governance.

## **4 System elements and governance**

### **4.1 Contract term and termination provisions**

The terms of the Management Board members' employment contracts are linked to the respective term of appointment. In its appointment process, the Supervisory Board adheres to Section 84 AktG, which limits the term of appointment to a maximum of five years. In the case of new appointments, the term should not exceed three years as a general rule. A reappointment may be resolved at the earliest one year prior to the expiry of the current term of office.

In accordance with the provisions of German stock corporation law, the Management Board contracts do not provide for the possibility of ordinary termination. The mutual right to summary termination for cause (Section 626 of the German Civil Code [BGB]) remains unaffected by this. In the event of premature termination of the appointment, the Management Board contract also ends prematurely, unless the Supervisory Board specifies otherwise.

The system also contains clear provisions on how remuneration is to be handled in the event of premature termination of a Management Board member's contract. The aim is to ensure an appropriate and balanced set of regulations that takes into account both the interests of the Company and those of the Management Board members.

### **4.2 Benefits upon termination of Management Board membership**

#### **General principle**

The provisions governing the termination of Management Board membership follow the recommendations of the German Corporate Governance Code (GCGC) and ensure a fair, transparent, and responsible structure for contract terminations. They ensure that no inappropriate benefits are granted, while simultaneously providing for adequate compensation and planning certainty for both parties.

#### **Severance pay provisions ("Severance Cap")**

In the event of premature termination of Management Board membership without good cause, any severance payment may not exceed the value of two years' remuneration, nor may it compensate for more than the remaining term of the employment contract. Benefits in excess of this severance payment are excluded. Benefits in the event of change of control are not provided for in the remuneration of the Management Board.

#### **No severance pay in the event of termination for cause or voluntary resignation**

If the Management Board service contract is terminated for good cause in accordance with Section 626 BGB or if the Management Board member resigns without good cause, there is no entitlement to a severance payment. This ensures that financial compensation is only paid in the event of a termination initiated by the Company or due to contractual circumstances.

### **Retirement and pension entitlements**

Pension rights already accrued through the company pension plan are not affected by the termination of the employment relationship. The treatment of outstanding remuneration components (e.g., pro rata STI or LTI) is governed by the respective contractual provisions and the terms of the remuneration system.

### **Treatment of outstanding variable compensation tranches (STI/LTI):**

If a member leaves during an ongoing fiscal year, the STI will be calculated and paid on a pro-rata basis, subject to the subsequent assessment of target achievement for the fiscal year in question.

For the multi-year variable compensation (LTI), ongoing tranches are generally continued pro rata temporis and settled after the end of the respective performance period on the basis of actual target achievement.

Should a member be terminated for cause or resign voluntarily, any claims to variable remuneration not yet due will lapse entirely.

Should a member leave due to retirement, death, or permanent incapacity, the Supervisory Board, acting at its reasonable discretion, may authorize a pro-rata payout based on the level of target achievement at the time of departure.

### **4.3 Secondary activities and external mandates**

Members of the Management Board devote their full energy and attention to the management of Carl Zeiss Meditec AG. Secondary activities – in particular the assumption of supervisory board mandates, advisory board positions or similar activities outside the ZEISS Group – require the prior consent of the Supervisory Board. The assumption of external mandates requires approval and is subject to the resulting workload not interfering with Management Board duties and no conflicts of interest arising with those of Carl Zeiss Meditec AG. The Supervisory Board determines if and to what degree compensation from external mandates will be deducted from the remuneration paid by Carl Zeiss Meditec AG.

Mandates within the ZEISS Group are generally considered part of the Management Board duties and do not receive separate remuneration, unless the Supervisory Board resolves a different arrangement in individual cases.

This framework guarantees that Board members act solely in the Company's best interest, ensuring full dedication to their roles while upholding transparency and governance standards.

### **4.4 Post-contractual non-compete clause**

Post-contractual non-compete clauses may be agreed upon for Management Board members in order to safeguard corporate interests and protect confidential information. These regulations are intended to ensure that departing members of the Management Board do not take up activities that are in direct competition with Carl Zeiss Meditec AG or the ZEISS Group for an appropriate period of time.

A post-contractual non-compete clause is contractually agreed on a case-by-case basis and can cover a period of up to two years after termination of the employment relationship. For the duration of the non-competition clause, the affected Management Board members receive compensation for non-competition amounting to at least 50% of their most recent contractual benefits (including fixed remuneration and variable components).

Carl Zeiss Meditec AG may waive compliance with this agreement prior to or during the non-compete period. In this case, the obligation to pay the waiting allowance will lapse six months after the waiver has been declared.

This regulation complies with the legal requirements of Section 75a HGB and helps to protect the legitimate business interests of the Company while ensuring fair treatment of the members of the Management Board.

#### 4.5 Review and adjustment of the remuneration system

The remuneration system for members of the Management Board is regularly reviewed for appropriateness, market conformity and effectiveness. The aim of this review is to ensure that the remuneration structure continues to meet the strategic objectives of Carl Zeiss Meditec AG, the regulatory requirements and the expectations of the shareholders.

The General and Personnel Committee of the Supervisory Board prepares the review of the remuneration system and makes a recommendation to the Supervisory Board on the basis of a comprehensive analysis. In particular, it takes the following into account:

- » the economic situation, strategy and development of the Company,
- » the remuneration levels and structures in the relevant market environment (horizontal comparison),
- » the ratio of Management Board remuneration to the remuneration of senior management and the workforce as a whole (vertical comparison),
- » and the experience gained from the practical application of the remuneration system.

The Supervisory Board reviews the remuneration system at least every four years or as circumstances require, particularly if there are significant changes in the legal, economic or strategic framework.

If the review indicates that changes are necessary or appropriate, the Supervisory Board will resolve an adjustment to the system. The adjusted remuneration system is then submitted to the Annual General Meeting for approval in accordance with Section 120a (1) AktG. If the Annual General Meeting does not approve the system, the Supervisory Board reviews it and resubmits it to the next Annual General Meeting for approval.

Carl Zeiss Meditec AG thus ensures that the remuneration of the Management Board is continuously adjusted to current market conditions, regulatory requirements and the long-term corporate strategy without compromising the basic principles of fairness, transparency and sustainability.

### 5 Transparency, implementation and publication of the remuneration system

Carl Zeiss Meditec AG places great emphasis on a transparent, comprehensible, and legally compliant structure for Management Board remuneration. The aim is to strengthen the confidence of shareholders, employees and other stakeholders in the remuneration policy and practice.

#### 5.1 Implementation of the Remuneration Report

The Supervisory Board ensures that the remuneration system is implemented and applied in accordance with the statutory requirements (Section 87 AktG, Section 120a AktG). The system is applied to all Management Board members using a uniform structure; however, the specific details (such as target values or the weighting of individual components) are defined in the respective service contracts.

The General and Personnel Committee monitors the implementation and, based on the achievement of targets, prepares the Supervisory Board's decision regarding the actual amount of the variable remuneration components. This ensures that all target achievement assessments are based on audited and transparent data.

The Supervisory Board also ensures that the specified maximum remuneration for each individual Management Board member is not exceeded.

#### 5.2 Remuneration report and publication

The Supervisory Board prepares an annual **remuneration report** together with the Management Board in accordance with legal requirements (Section 162 AktG). This report provides information on the remuneration granted and owed to

the individual Management Board members.

It explains the application of the remuneration system in the past fiscal year, presents the individual remuneration components in detail and contains a clear comparison between target achievement and actual payment.

The Remuneration Report is formally reviewed by the auditor and presented to the shareholders for approval at the Annual General Meeting.

### **5.3 Publication and transparency**

The current remuneration system and the audited remuneration report are made permanently available to the public on the Carl Zeiss Meditec AG website. This ensures a high level of transparency and traceability for all stakeholders.

The Company is thus expressly committed to the principles of good corporate governance and to the recommendations of the German Corporate Governance Code (GCGC).

## **6 Guideline on share ownership and share-based remuneration**

The members of the Management Board do not hold any Carl Zeiss Meditec AG shares and do not receive any share-based remuneration. The Supervisory Board is convinced that the existing remuneration structure – in particular the long-term incentive effect through the focus on the KPIs revenue, operating profit (EBIT) and free cash flow (FCF) as well as the structure of the long-term incentive (LTI) – aligns closely with the Company's long-term objectives.

The current orientation ensures effective alignment of interests between the Management Board and shareholders, without the need for share-based remuneration. However, the Supervisory Board reserves the right to introduce a share-based remuneration component in future if this serves the Company's strategic objectives.

## **7 Clawback and withholding or reduction (Malus) of remuneration components**

In case of breaches of duty or compliance, the Supervisory Board may reduce or withhold the variable remuneration components. This affects both the short-term incentive (STI) and components of the long-term incentive (LTI), to the extent that these have not yet been paid out.

In cases of gross negligence or an intentional breach of the duty of care of a prudent and conscientious manager in accordance with Section 93 (1) AktG by a member of the Management Board, Carl Zeiss Meditec AG is entitled to demand full or partial repayment of the variable remuneration components paid out for the respective assessment period during which the breach of duty occurred.

These options may also be used where the term of office or the employment relationship with the Management Board member has already ended. Any claims for damages by Carl Zeiss Meditec AG against the Management Board member remain unaffected.