Remuneration system for members of the Management Board in accordance with Section 87a (1) German Stock Corporation Act (AktG)

A. Principles of the remuneration system for members of the Management Board

The remuneration system for the members of the Management Board is designed to appropriately remunerate the members of the Management Board in accordance with their assigned areas of responsibility and job duties, while taking into account the results and performance of MEDICLIN Aktiengesellschaft ("Company") and the MEDICLIN Aktiengesellschaft Group ("Group") as well as the performance of the Management Board members. It is designed to help promote the business strategy and the long-term development of the Company and the Group. To this end, the remuneration system provides an incentive structure specifically geared to improving profitability and earnings power as well as the long-term strengthening of the Group's equity:

In addition to a fixed basic salary that is paid monthly and ancillary benefits, the remuneration structure consists of an annual short-term variable component (Short Term Incentive ("STI")) and a multi-year long-term variable component (Long Term Incentive ("LTI")). The STI is linked to the development of the EBITDA (in absolute figures) and the EBITDA margin as presented in the audited consolidated financial statements. As a result, Management Board remuneration is linked directly to the improvement of Company profitability and earnings power, which significantly contributes to the pursuit of the strategic goal of securing the Company over the long term and ensuring its positive development, and it is intended to bring the interests of shareholders and Management Board members into alignment with each other. In addition, non-financial performance criteria to be determined by the Supervisory Board before the start of a financial year are included in the assessment of the STI. In order to align the remuneration of the Management Board members even more closely with the long-term development of the Company and the Group, the LTI is calculated as a function of the Compound Annual Growth Rate ("CAGR") of the Group's equity over a multi-year assessment period; this creates incentives in the sense of long-term improvement of the equity position and thus the stability of the Company. In deciding on this general design for the remuneration system – including the fixed remuneration components – the Supervisory Board aims to offer competitive remuneration in order to attract the best available candidates to fill the Company's Management Board positions.

The remuneration system instituted by the Supervisory Board on 25 March 2021 applies to all new contracts of employment to be concluded with Management Board members as well as to contract renewals. The employment contracts already concluded with the current active members of the Management Board, Mr. Volker Hippler, Mr. Tino Fritz and Dr. York Dhein (collectively hereinafter the "old contracts"), remain unaffected according to the statutory provision in Section 26j (1) of the Introductory Act to the German Stock Corporation Act (EGAktG). Nevertheless, the previous remuneration policy was largely compliant with the current system, and thus the old contracts already correspond to a large extent to the remuneration system that is now being promulgated. Any deviating provisions are printed below *in italics* for information purposes. This information does not form part of the remuneration system itself.

B. Detailed description of the remuneration system

I. Overview of the individual remuneration components and their relative share within the total remuneration target

The remuneration of the members of the Management Board consists of fixed and variable components. The fixed components consist of a fixed annual salary and the ancillary benefits described below. Variable components consist of an annual short-term variable remuneration incentive (STI) and a multi-year long-term variable remuneration incentive (LTI), whose term generally corresponds to the term of the contract of employment with the member of the Management Board. The possible total remuneration is limited to a maximum amount ("Maximum Remuneration").

Remuneration component		Design
Non-performance-related	Fixed annual salary	• Fixed, contractually agreed remuneration that is divided into twelve monthly payments • Payout: Cash
	Ancillary benefits	• Company car • Allowances for private health and nursing care insurance and social security pension funds up to a maximum of the contribution threshold
Performance-related	STI	• Performance-related bonus with a one-year assessment period • Threshold: 120 % of the target amount • Performance criteria: – Increase in EBITDA and EBITDA margin – Modifier (0.8–1.2) to assess the performance of individual members of the Management Board as well as overall performance of the body and the achievement of stakeholder goals • Payout: Cash
	LTI	• Performance-related bonus with a multi-year assessment period (usually corresponding to the term of the employment contract) • Threshold: 100 % of the target amount • Performance criterion: CAGR of Group equity • Payout: Cash
Maximum Remuneration		• EUR 850,000 per year per Board member

Based on the remuneration system and on the proposal of its General and Personnel Committee, the Supervisory Board, at its due discretion, sets a specific total remuneration target for each member of the Management Board, which is reasonably proportionate to their job duties and performance and the financial position of the Company, and does not exceed the usual remuneration unless there are justifying special considerations. The total remuneration target is made up of the sum of all remuneration components relevant to the total remuneration (fixed annual remuneration, ancillary benefits, STI and LTI). The STI and LTI are based on the target amounts for 100 % target achievement (in the case of the STI with a modifier of 1.2) as agreed in the Management Board employment contracts. The relative shares of the fixed and variable remuneration components in the annual total remuneration target are shown below in relation to the total remuneration target.

Fixed remuneration	Variable remuneration	
Fixed annual salary + ancillary benefits	**STI**	**LTI**
approx. 56.5–65 %	**approx. 30–40 %**	**approx. 2.5–3.5 %**

The share of the fixed remuneration (fixed annual salary and ancillary benefits) of the members of the Management Board is around 56.5–65 % of the total remuneration target. The share of the STI (target amount) in the total remuneration target is around 30–40 %, and the share of the LTI (target amount) in the total remuneration target is around 2.5–3.5 %. The specified shares may vary for future financial years due to increases in the costs of contractually agreed ancillary benefits and of any new appointments to the Board.

<u>Old contracts:</u> The one-time special bonus guaranteed under the old contracts (see B. III. 3) was not taken into account in the above provisions. Its relative share in the total remuneration target cannot be determined at present, since the amount of such a possible special bonus depends on the present value of the outcome of the legal action or negotiated settlement that cannot be determined at present.

II. Fixed remuneration components

The members of the Management Board receive a fixed annual salary as agreed in their contract of employment. This is paid in twelve equal monthly instalments at the end of each month. If a member of the Management Board is prevented from providing their services due to illness or other circumstances through no fault of their own, they are still entitled to the prorated fixed annual salary for a period of six months, but in any case no longer than until the end of the employment relationship.

They will also receive the following ancillary benefits: The Company provides the members of the Management Board with the use of a company car for the duration of their employment. They may also use this vehicle for private purposes, and the Company assumes the maintenance and operating costs. The Company may promise to pay allowances for private health and nursing care insurance and social security pension funds up to a maximum of the contribution threshold.

III. Variable remuneration components

In addition, the members of the Management Board receive a short-term variable remuneration incentive (STI) and long-term variable remuneration incentive (LTI), which are paid entirely in cash. After payment of the performance-related, variable remuneration components, the members of the Management Board are free to dispose of the remuneration amounts that were granted. The respective statutory provisions apply to any claims the Company might to make to reclaim or withhold variable remuneration components.

1. STI

The STI is a performance-related bonus with a one-year assessment period, which generally corresponds to the financial year. In a first step, the amount of the STI is determined on the basis of the development of financial performance criteria during the assessment period. During the second step, the Supervisory Board uses a so-called modifier to take into account the achievement of non-financial performance criteria in the same period:

<table>
<tr><td>Financial performance criteria</td><td rowspan="5">x</td><td>Non-financial performance criteria</td><td rowspan="5">=</td><td rowspan="2">STI payout amount (in EUR)</td></tr>
<tr><td>Max. 50 % of the STI target amount (in EUR)</td><td>0.8–1.2 modifier</td></tr>
<tr><td>Dependent on the EBITDA margin</td><td rowspan="3">Dependent on the achievement of non-financial performance criteria</td><td rowspan="3">Max. 120 % of the STI target amount</td></tr>
<tr><td>Max. 50 % of the STI target amount (in EUR)</td></tr>
<tr><td>Dependent on the EBITDA</td></tr>
</table>

The financial performance criteria that are used to determine the amount of the STI are the EBITDA margin as well as the absolute EBITDA, which are each weighted at 50 %.

- EBITDA stands for Earnings Before Interest, Taxes, Depreciation and Amortization; the EBITDA reported in the consolidated profit and loss account of the audited consolidated financial statements prepared in accordance with IFRSs is decisive. EBITDA is a measure of economic success and profitability.

- The EBITDA margin is the ratio of EBITDA to sales (EBITDA divided by sales); the sales reported in the consolidated profit and loss account of the audited consolidated financial statements in accordance with IFRSs are decisive. The EBITDA margin is stated as a percentage. The EBITDA margin can be used as a financial target or control parameter for measuring the Group's earnings power.

The assessment of the STI on the basis of the aforementioned financial performance criteria thus incentivizes the Management Board to focus its activities on boosting profitability and on continuously increasing performance. Last but not least, this assessment serves to implement the corporate strategy of ensuring sustainable profitability.

The financial performance criteria targets are defined as follows:

- EBITDA target margin: EBITDA margin of the respective previous year plus 0.2 times the difference between a long-term EBITDA target margin of 17.5 % and the EBITDA margin of the respective previous year.

Long-term EBITDA target margin (17.5 %) less the EBITDA margin of the previous year (in %)	x	0.2	+	EBITDA margin of the previous year (in %)	=	EBITDA target margin (in %)

- EBITDA target: Increase in absolute EBITDA by five percentage points compared to the absolute EBITDA of the previous year.

Absolute EBITDA of the previous year (in EUR)	+	Absolute EBITDA of the previous year (in EUR)	x	5 %	=	EBITDA target (in EUR)

The achievement of the target is determined after the end of the financial year. For this purpose, the Supervisory Board compares the actual figures for the two financial performance criteria with the targets for the respective financial year, using the figures shown in the audited consolidated financial statements prepared in accordance with IRFS for the respective financial year as a basis. Based on this, the amount of the STI is calculated in the first step, using the STI target amount specified in the respective Management Board contracts of employment:

- Half of the amount of the STI is calculated in the first step by multiplying half the STI target amount by the percentage at which the EBITDA target margin was reached in the respective financial year: If the EBITDA margin for the respective financial year reaches the EBITDA target margin, 50 % of the contractual STI target amount falls due; if the EBITDA target margin is exceeded, this will not cause a further increase in the STI. If the EBITDA target margin is not reached, a share in half the STI target amount falls due that equals the percentage of the EBITDA target margin that was achieved (e.g. if 90 % of the EBITDA target margin is achieved, 45 % of the STI target amount falls due).

50 % of the defined STI target amount (in EUR)	x	Target achievement for the EBITDA margin (in %)	=	Max. 50 % of the STI target amount (in EUR)
Dependent on the EBITDA margin				

- The other half of the STI amount is determined in the first step in accordance with the increase in absolute EBITDA in the respective financial year: For each percentage point increase in absolute EBITDA in relation to the previous year's absolute EBITDA, 20 % of half the STI target amount falls due; fractional percentage points are considered on a pro rata basis. 50 % of the target amount therefore becomes due if the absolute EBITDA shows an increase of five percentage points year-on-year (achievement of the EBITDA target). If the increase in EBITDA is more than five percentage points, this will not cause a further increase in the STI.

20 % of half of the STI target amount (in EUR)	x	Increase in EBITDA (in percentage points)	=	Max. 50 % of the STI target amount (in EUR)
Dependent on the EBITDA				

In addition to the financial performance criteria and on the proposal of its General and Personnel Committee, the Supervisory Board determines at its due discretion non-financial performance criteria and their weighting for the modifier in order to assess the individual performance of the Management Board members, the collective performance of the Management Board as a whole and the achievement of stakeholder goals before the start of each assessment period (financial year). In this way, by setting the non-financial performance criteria and targets, the Supervisory Board is also given the opportunity to take into account issues that have a decisive impact on the operational implementation of the corporate strategy.

- Performance criteria for the assessment of the individual or collective performance of the members of the Management Board may include, for example, contributions to significant cross-departmental projects or important strategic achievements on behalf of the respective department or strategically or structurally sustainable development of the Company.

- With regard to the achievement of stakeholder goals, the Supervisory Board may, for example, set performance criteria in the area of patient satisfaction.

After the close of the financial year, the Supervisory Board determines the amount of the modifier (between 0.8 and 1.2) at its own discretion for each Management Board member based on the degree to which the non-financial performance criteria have been achieved and defines the weighting for these criteria. Thus, depending on the performance of the individual Board members and the Management Board as a whole, the level of the STI may be adjusted upwards or downwards. The performance criteria may not be changed during a financial year. The non-financial performance criteria defined for each financial year and the achievement of the financial and non-financial performance criteria are reported annually in the remuneration report.

The amounts calculated in the first step on the basis of the achievement of the financial performance criteria are multiplied by the modifier (of between 0.8 and 1.2), thus determining the STI amount to be paid. Since the amount of the STI is limited to 100 % (2 x 50 %) of the target amount in the first step and the modifier is capped at 1.2, the annual payout amount is capped at a total maximum of 120 % of the STI target amount. The STI is payable within one month after the annual financial statements of the respective year were approved. If the employment period starts or ends during the year, the STI is paid pro rata temporis.

<u>Old contracts:</u> The old contracts stipulate that the Management Board members are entitled to an STI in accordance with the above provisions, but not yet with the stipulation that a modifier is applied to the value calculated on the basis of the financial performance criteria, which is why non-financial performance criteria have not yet been taken into account in the calculation of the STI.

2. LTI

The LTI is a multi-year performance-related bonus, thus constituting a long-term incentive. The amount of the LTI is determined on the basis of the Compound Annual Growth Rate (CAGR) of equity during the assessment period.

CAGR target achievement (in %)	x	LTI target amount (in EUR)	=	LTI payout amount (in EUR)
				Max. 100 % of the LTI target amount

The CAGR of the Group's equity is the key financial performance criterion that reflects the average annual growth rate of equity over the assessment period. By measuring the long-term remuneration based on the CAGR of the Group's equity, the members of the Management Board are incentivized to work towards the continuous, long-term strengthening of the Group's equity, which serves to secure the Company's position as a going concern. It can be used to hedge against risks and can facilitate the acquisition of borrowed capital.

The target is the achievement of a 3 % CAGR during the assessment period. The assessment period generally corresponds to the term of the respective employment contract, i.e. usually at least three to four years. To simplify the calculations, the Supervisory Board can align the start and end of the assessment period to the beginning or end of the quarter before or after the start or end of the contract of employment.

The achievement of the target is determined at the end of the assessment period. The Supervisory Board compares the actual CAGR over the assessment period with the target, using the amount of the Group's equity reported in the audited consolidated financial statements prepared in accordance with IRFS as a basis. The amount of the LTI is calculated by multiplying the percentage at which the CAGR target was achieved by the LTI target amount that is defined in the Board members' contracts of employment for achieving the CAGR target. The LTI amount is capped at a maximum of 100 % of the LTI target amount (if the CAGR target is reached). If the CAGR target is exceeded, this will not cause a further increase in the LTI. The LTI is payable within one month of approval of the annual financial statements of the year in which the contract of employment expires. If the employment period starts or ends during the year, the LTI is paid pro rata temporis.

3. Special bonus

<u>Old contracts:</u> The claim to payment of a one-time special bonus in connection with the legal disputes that the Company is currently pursuing against the lessors of 21 clinics does not form part of the new remuneration system, but was agreed as part of the old contracts. In the event that the Company prevails, each Management Board member will receive a special bonus of 0.5 per thousand of the present value of the outcome of the legal action or negotiated settlement, which will be determined with a discount factor of 5 %. The decisive performance criterion is therefore prevailing in the aforementioned legal dispute. The achievement of this performance criterion will be determined based on the outcome of the lawsuit or settlement negotiations. The granting of the special bonus thus helps to ensure that the interests of the Management Board and the Company are aligned with regard to the outcome of the lawsuit and the negotiations. The entitlement to the special bonus presupposes that the Management Board member is in an employment relationship with the Company at the time the judgement or contract is finalized and has not been removed from the Board.

IV. Maximum Remuneration

The total remuneration to be granted for a financial year (total of all remuneration amounts attributable to the financial year in question, including fixed annual salary, variable remuneration components and ancillary benefits) to the members of the Management Board, regardless of whether it is paid out in this financial year or at a later date, has an absolute upper limit (Maximum Remuneration). The Maximum Remuneration set by the Supervisory Board per Management Board member is EUR 850,000 per year. Irrespective of the specified Maximum Remuneration, the payment amounts of the individual variable remuneration components are also limited relative to the respective target amount. The STI is limited to a maximum of 120 % of the target amount (100 % achievement of the financial performance targets multiplied by a 1.2 modifier), and the LTI is limited to 100 % of the target amount.

<u>Old contracts:</u> *So far, the old contracts do not stipulate any Maximum Remuneration amount (all remuneration components taken together). Nevertheless, compliance with the above limit is largely ensured by the fact that the total amount of the individual remuneration components is limited, with the exception of the ancillary benefits, which are not expressly limited to specific amounts. However, in the opinion of the Supervisory Board, these should not lead to exceeding the Maximum Remuneration described above. Only the special bonus provided for in the old contracts, the amount of which cannot currently be determined (as already specified under B.I.), could lead to the Maximum Remuneration being exceeded. However, a limit of 0.5 per thousand of the present value of the outcome of the lawsuit or negotiated settlement is also provided in this respect, as specified under B. III. 3.*

C. Remuneration-related legal transactions

I. Duration and conditions for terminating remuneration-related legal transactions

The contracts of employment of the members of the Management Board are limited to the terms of their current appointments to the Management Board; they end when the period expires without a separate notice period. The following principles apply to the appointment period: Initial appointments to the Management Board are generally made for three-year terms, and re-appointments are generally made for a period of up to five years. The decision to extend the contract of employment and reappoint the members should be made no later than six months before the end of the contract of employment or the term of office.

In principle, the contracts of employment do not provide for an ordinary termination option; the mutual right to extraordinary termination without notice for cause as provided for by law remains unaffected. A special right of termination in the event of a change in control may be agreed in individual cases. If a Management Board member becomes permanently unable to work during the term of the contract, the contract will be terminated six months after the end of the month in which the long-term disability was determined.

If the employment relationship is terminated before the contractually agreed date, the agreed variable remuneration must be paid pro rata temporis, whereby the amount of the variable remuneration (STI, LTI) is based on the originally agreed targets, performance criteria and due dates. There are no commitments of severance payments or commitments under pension and early retirement regulations. If a member of the Management Board dies before the end of the employment relationship, the Company will continue to pay the fixed annual remuneration applicable at the time of death pro rata to any widow and any dependent children as joint creditors for the month of death and the following three months.
<u>Old contracts:</u> *The old contract with Dr. Dhein provides for a special right of termination with a notice period of three months to the end of the month in the event of a change in control. Mr. Hippler's and Mr. Fritz's contracts do not provide for continued payment of remuneration for the month of death and the following three months to widows or dependent children.*

II. Post-contractual non-competition clause

The Management Board members are subject to a post-contractual non-competition clause for a period of six months after the end of their contract of employment, unless the contract ends due to the Management Board member retiring or due to the Management Board member becoming disabled. For the duration of the post-contractual non-competition clause (with the exception of the duration of any violation of the non-competition clause), they will receive a waiting period allowance, which for each month of the ban will be the monthly fixed salary that was last received by the Management Board member plus one twelfth of half the STI that was last received by the respective Management Board member. Any other income will be offset in accordance with Section 74c German Commercial Code (HGB). The Company may waive the post-contractual non-competition clause and is then released from the obligation to pay the waiting period allowance after a period of three months.

III. Consideration of the remuneration for secondary employment, and specifically for supervisory board appointments

The members of the Management Board may only take on other professional, paid or honorary duties with the prior consent of the Supervisory Board, which decides on whether remuneration, expense allowances or similar payments for supervisory board appointments (or similar offices) will be offset. Such remuneration is generally offset against their monthly fixed salaries whenever they accept appointments at companies in which the Company has a direct or indirect interest or, in the case of honorary posts in administration and oversight as well as duties in associations to which the Company belongs by virtue of its business activities.

D. Determination, implementation as well as review of the remuneration system

The Supervisory Board adopts a clear and understandable remuneration system for the members of the Management Board and reviews this regularly, based on the proposals of its General and Personnel Committee. Reviews may be carried out at the Supervisory Board's discretion, but in any case at least once every four years. When determining and reviewing the remuneration system, the Supervisory Board makes a horizontal comparison with the Company's peer institutions. In vertical terms, the Supervisory Board reviews the Company's internal remuneration structure.

The Supervisory Board will submit the adopted remuneration system to the Annual General Meeting for approval. The remuneration system will again be submitted to the Annual General Meeting for approval whenever it is substantially changed, but in any case at least once every four years. The remuneration system is generally implemented as part of the contracts of employment that the Supervisory Board concludes with the members of the Management Board on behalf of the Company and in the form that is prepared by its General and Personnel Committee. The adopted remuneration system applies to all new contracts of employment to be concluded with Management Board members as well as to contract renewals. The current contracts of employment concluded with the active members of the Management Board, Mr. Hippler, Mr. Fritz and Dr. Dhein, remain unaffected in accordance with Section 26j (1) Introductory Act to the German Stock Corporation Act (EGAktG). However, they basically comply with the provisions of the currently agreed remuneration system – with the exceptions of the deviations presented above in italics.

The Supervisory Board adopts suitable measures to prevent conflicts of interest with regard to the members of the Supervisory Board and its General and Personnel Committee that are involved in deliberating, making decisions on, determining, implementing or reviewing the remuneration system. If there is a conflict of interest, the affected Supervisory Board member shall disclose this to the Chairperson of the Supervisory Board without delay; if the Chairperson has a conflict of interest, they shall disclose the conflict to the Deputy Chairperson without delay. The Supervisory Board shall decide on a case-by-case basis how it will resolve any conflicts of interest. In particular, a Supervisory Board member affected by a conflict of interest may choose to recuse themselves from a meeting or individual deliberations and decisions of the Supervisory Board or its General and

Personnel Committee. The Supervisory Board shall provide information in its report to the Annual General Meeting on any conflicts of interest that have arisen and how they have been dealt with.

The Supervisory Board may temporarily deviate from the remuneration system (rules of procedure and the remuneration structure) and its individual components of from individual remuneration components provided for in the remuneration system (including the performance criteria), may replace remuneration components with others or introduce new remuneration components if the Supervisory Board believes that these measures are needed to advance the Company's long-term interests (see Section 87a (2) Sentence 2 German Stock Corporation Act (AktG)). The Supervisory Board reserves the right to make such deviations in exceptional circumstances. Any such deviation requires an express resolution by the Supervisory Board, in which the duration of the deviation, the deviation as such and the reason for it are specified.