Remuneration policy
for members of the Executive Board of Frequentis AG

1. Establishment of principles for the remuneration of Executive Board members

   In its resolution of 27 March 2024, the Supervisory Board adopted the following revised principles for the remuneration (remuneration policy) of the members of the Executive Board of Frequentis AG (subsequently referred to as Frequentis AG or the company) on the basis of the proposal made by the Committee for Executive Board Issues in its role as remuneration committee, in accordance with C rule no. 43 of the Austrian Code of Corporate Governance; in compliance with Section 78 (1) of the Austrian Companies Act (AktG), the principles shall be applied after submission to the 17th Annual General Meeting of Frequentis AG.[1]

   From the 2024 financial year, this remuneration policy replaces the company's previous remuneration policy, which was adopted by the 13th Annual General Meeting of the company with a majority of 99.99% of the valid votes cast. With regard to the significant changes to the present remuneration policy compared with the previous remuneration principles, please see subsection 10.

2. Objective of the remuneration policy

   The objective of the remuneration policy is to ensure that the overall remuneration of the members of the Executive Board is commensurate with the company's economic situation and creates incentives for behaviour that is supportive of the sustainable development of the company and the company's business strategy and long-term development. The remuneration policy also takes into account the size of the company, its international focus, its business model, and the tasks and qualifications of the Executive Board members.
   The remuneration policy is structured to ensure that it is possible to attract suitably qualified persons for the tasks of a listed company with global operations. Therefore, the total remuneration must be competitive and market-oriented, as well as being commensurate with the usual remuneration at comparable companies.
   The remuneration is therefore commensurate with the overall responsibility associated with the role of the Executive Board, as well as reflecting the individual responsibility of each Executive Board member as derived from the allocation of functions. Other key factors are length of service with the company and, where relevant, the assumption of the function of spokesperson or chairperson of the Executive Board.
   The remuneration policy provides incentives for the members of the Executive Board to play an active part in developing and pursuing the strategy of the Frequentis Group, permanently support the sustainable development of the company, and avoid taking inappropriate risks. When defining financial and non-financial performance criteria, attention shall be paid to avoiding enticements to take risks and an excessive focus on short-term profits. Ambitious targets should be set to provide an incentive for exceptional performance and to encourage

[1] To enhance readability, in this remuneration policy, the Supervisory Board's Committee for Executive Board Issues in its role as remuneration committee is referred to simply as the "Remuneration Committee".

implementation of the strategy. The overriding aim is the positive long-term development of the company and the entire Frequentis Group.

3. Remuneration components

The overall remuneration of the members of the company's Executive Board shall comprise the following components:

(a) Fixed remuneration components that are not performance-related

(b) Variable performance components that are dependent on the achievement of specific performance criteria.

4. Fixed remuneration components

The fixed remuneration comprises a base salary, benefits in kind, other perquisites, and social security and pension contributions.

4.1 Base salary

Executive Board members receive an annual base salary payable in arrears in fourteen monthly instalments. This covers all overtime and all work that goes beyond the normal working hours of company employees. It also covers the assumption of offices on governance bodies within the Frequentis Group.
This remuneration component is principally intended as remuneration for taking on a position on the Executive Board and the associated overall responsibility of the individual Executive Board members, but also takes into account the individual responsibilities of each member, which are derived from the areas of responsibility allocated to them. This results in differentiated base salaries which reflect their strategic and operational functions.
In addition, the level of the annual base salary reflects the customary market rates of remuneration of executive board members at comparable companies.
The employment contract may include an agreement that, if the Executive Board member is unable to perform their duties due to illness or an accident, they shall continue to receive the agreed base salary in full for a defined period of no more than six months and at a reduced level for a further period of no more than six months.
Taking these criteria into account, the fixed remuneration must ensure competitive and market-oriented remuneration that enables the company to recruit and retain suitable executives.
The level of the annual base salary is therefore set individually for each member of the Executive Board on the basis of the criteria outlined in this policy and in accordance with the provisions of Section 78 of the Austrian Companies Act (AktG). In order to ensure it maintains its value, the agreed annual base salary may be adjusted once by the Remuneration Committee, at its sole discretion, but not before the end of the first half of the term of office of the Executive Board member, with effect from 1 January of the following financial year; the maximum adjustment shall be aligned with the applicable collectively agreed salary rises for the company's employees.

4.2 Benefits in kind and other perquisites

Benefits in kind and other perquisites can be granted as follows:

(a) Collective accident insurance and death insurance for the benefit of the Executive Board members or for a third party named by the respective Executive Board member;

(b) Collective supplementary health insurance:

(c) D&O insurance and legal expenses insurance with appropriate cover for the risks;

(d) Company car, fully comprehensive motor insurance, and driver's/passenger insurance with appropriate cover; if an Executive Board member does not claim a company car, such Executive Board member shall be entitled to a monthly company car compensation payment in the form of a flat-rate incremental increase in their salary;

(e) Other perquisites: mobile phone and mobile communication media and discounts for the Frequentis staff restaurant.

4.3 Social security and pension contributions

Contributions to the statutory social security scheme are paid for members of the Executive Board; these change annually depending on the maximum contribution base set in accordance with Section 108 of the Austrian General Social Security Act (ASVG).
The members of the Executive Board are granted lifelong defined contribution entitlements to pension benefits. Accordingly, the beneficiaries shall receive a monthly retirement pension or pension benefits for surviving dependants; these benefits shall be refunded to the company out of a reinsurance policy taken out by the company for this purpose.

4.4. Severance payment

For every Executive Board member whose employment with the company commenced on or after 1 January 2003, contributions are made to an occupational insurance fund (severance fund new) in compliance with the legal requirements.
For those Executive Board members whose employment with the company commenced prior to 1 January 2003 – whether or not as a member of the Executive Board – and who did not transfer to the new severance fund model, are subject to a contractual severance payment based on the provisions of the Austrian Employees Act (AngG) (severance fund old; see subsection 10.2). Furthermore, the employment contracts entered into with two Executive Board members after 1 January 2003, grant a contractual severance payment based on the terms of the old severance arrangements, whereas the new Executive Board contracts concluded since 1 January 2020 do not contain any such commitment.

5. Variable non-share-based remuneration components

5.1 Basic principles of variable remuneration

The variable remuneration is designed to support the sustained positive business development of the company. In accordance with C rule 27 of the Austrian Code of

Corporate Governance, it is linked to both short-term financial targets and sustainable, multi-year non-financial performance criteria.

First, the short-term variable remuneration for all Executive Board members comprises a typical short-term incentive as outlined in subsection 5.3.1 ("**STI**"), which is based on the achievement of short-term financial targets.

To prevent an unbalanced focus on solely short-term economic targets and to set specific goals for sustainable business development, in addition to the STI component, two-year financial performance criteria can be defined as a mid-term incentive ("**MTI**") as outlined in subsection 5.3.2.

To supplement the financial targets, individual multi-year performance criteria set incentives for sustainable optimisation of the specific areas of responsibility of the individual Executive Board members based on the business allocation plan, where possible including a focus on the company's ecological and social responsibility in conformance with the ESG initiatives ("Personal Incentive, **PI**" as outlined in subsection 5.3.3).

To align the interests of the Executive Board members with those of the shareholders, a long-term variable remuneration component is provided for every member of the Executive Board. This is linked to (i) an increase in the company's share price and (ii) the value of the dividend per share paid out during the performance period, compared with a defined peer group of other publicly listed companies ("Total Shareholder Return Incentive, "**TSRI**", as outlined in subsection 5.3.4).[2]

The variable remuneration resulting from the STI, MTI, PI, and TSRI described in this subsection 5 is not share-based remuneration and will always take the form of a cash payment to the respective Executive Board members[3].

5.2 Setting the targets and entitlement to the non-share-based variable remuneration

The number and content of the performance criteria for the STI, MTI, PI, and TSRI, together with their performance periods and relative weighting, shall be fixed by the Remuneration Committee in advance of the relevant performance period and set out in a target agreement with the Executive Board members. These shall be based on the parameters set out in subsection 5.3 but may deviate from them in individual circumstances. The targets are set on the basis of the information available at this time.

For each target an interval must be defined to set the relationship between over- or under-achievement of the target and the corresponding increase / reduction in the amount of the short-term remuneration.

[2] Executive Board members with whom an LTIP with a TSR target is agreed in accordance with this remuneration policy do not receive an additional (non-share-based) TSRI.

[3] Alongside the non-share-based variable remuneration, a share-based long-term variable remuneration component (Long-Term Incentive Plan ["LTIP"]) can be agreed with (all or individual) Executive Board members; any LTIP must be approved by a resolution of the General Meeting in conformance with C rule 28 of the Austrian Code of Corporate Conduct (see subsection 6).

The basis for calculating the non-share-based variable remuneration entitlements is the (gross) annual base salary of the respective Executive Board member in the year prior to the relevant performance period. The actual entitlement to remuneration is therefore a percentage of the annual basis salary of the Executive Board member, depending on achievement of the targets, and is modified by the PI modifier factor as set out in subsection 5.3.3.

The target for the non-share-based variable remuneration, based on 100% achievement of all agreed performance criteria, is 50% of the annual base salary. Overall, even in the event of over-achievement of all agreed performance targets, the maximum non-share-based short-term variable remuneration is capped at 100% of the (gross) annual base salary of the respective Executive Board member.

If the consolidated financial statements or the individual financial statements of the company show a loss in a financial year, there shall be no entitlement to non-share-based variable remuneration for that financial year. This shall also apply for entitlements to remuneration for non-financial targets agreed for the relevant performance period (including the PI and TSRI). However, if the loss for the period is due to an unforeseeable external event outside the sphere of influence of the Executive Board, the Remuneration Committee may, at its discretion, award the Executive Board members the variable remuneration for the achievement of the non-financial targets in the relevant performance period, either in full or in part.

In any case, the calculation of the non-share-based variable remuneration must also take into account the earnings before tax reported by the company in accordance with the Austrian Commercial Code (UGB EBT); a minimum amount shall be defined for this purpose each year. If the UGB EBT after provisions for the non-share-based variable remuneration of all Executive Board members (including statutory payroll-related costs) drops below the defined minimum amount, the claim by all Executive Board members to variable remuneration shall be reduced by the same percentage until the planned minimum UBG EBT is reached.

5.3 Performance criteria, performance periods, and weighting

5.3.1 Short-Term Incentive, STI

The STI is linked to the achievement of financial targets for the company within a performance period of one year. The applicable performance criteria for the STI are financial targets at Group or company level for one financial year, for example, the achievement of the planned EBIT, cash flow, equity ratio, net debt, etc.).

For 100% achievement of the STI targets, each Executive Board member is entitled to variable remuneration equivalent to 30% of their annual base salary.

5.3.2 Mid-Term Incentive, MTI

The MTI is linked to the achievement of primarily financial targets for the company within a performance period of two years. The applicable performance criteria for the

MTI are targets at Group, company, or business domain level (individual Group companies, business segments/areas, specific products, or similar), for example, an improvement in certain KPIs or the achievement of targets in the performance period.

For 100% achievement of the MTI targets, each Executive Board member is entitled to variable remuneration equivalent to 10% of their annual base salary in the last year of the performance period.

5.3.3 Personal Incentive, PI

The PI is linked to the achievement of personal, non-financial targets within a performance period of two years. These targets should support, in particular, the company’s business policy and strategic focus as well as its ecological and social responsibility and should set ESG-related incentives with regard to the individual sphere of responsibility of the Executive Board member (e.g. a reduction in energy consumption, measures in the areas of cybersecurity, compliance, etc.).

The achievement of the PI targets is reflected in the variable remuneration in the form of a “modifier”, by which the other, non-share-based variable remuneration components (i.e. STI, MTI, and TSRI) are multiplied. The PI-modifier should be in a range of 0.8 to 1.2, with a factor of 1.0 being applied for 100% target achievement.

5.3.4 TSRI

The TSRI is linked to (i) the increase in the company’s share price within a three-year performance period and (ii) the value of the dividends per share paid out during the performance period, compared with a defined peer group of other publicly listed companies. The targets and relevant peer group will be identical to the relevant parameters for the TSR target for any share-based Long-Term Incentive Plan (LTIP) agreed for the same performance period.

If no share-based LTIP with a TSR target is agreed for a TSRI-relevant performance period, the relevant parameters for the TSRI shall be set by the Remuneration Committee, which shall take as its guide the criteria for the LTIPs currently running or the most recently concluded LTIP with a TSR target.

5.4 Determining the entitlement to non-share-based variable remuneration

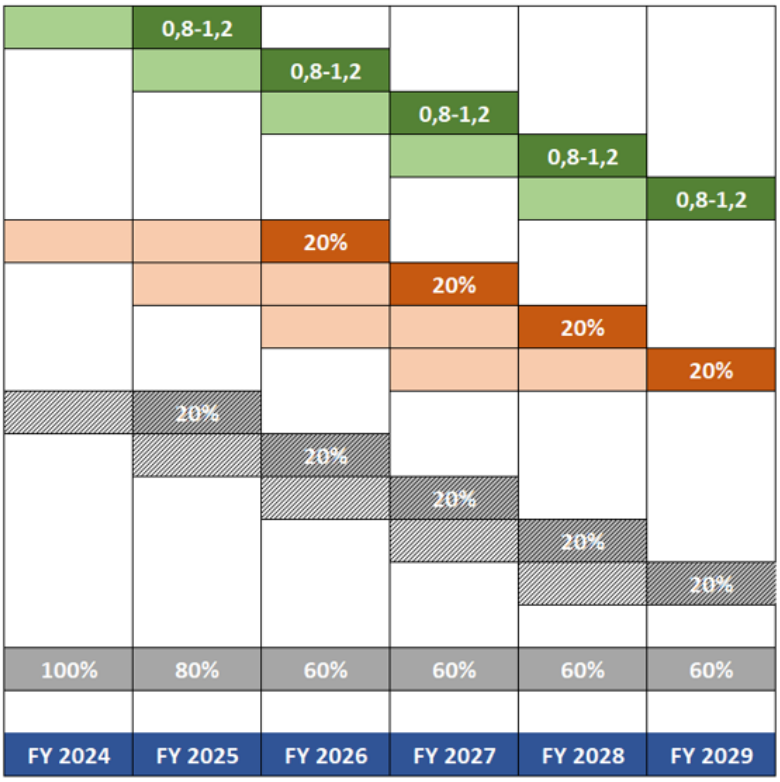
At the end of a relevant performance period, the Remuneration Committee shall evaluate achievement of the targets and determine the final level of target achievement and the resulting entitlement to non-share-based variable remuneration.
The STI, MTI, and LTI shall be paid as soon as the basis and amount have been determined by the Remuneration Committee.

5.5 Schematic illustration of the non-share-based variable remuneration and incremental arrangement.

Incentive	Quantifier	Entitlement upon 100% target achievement (quota of annual base salary)
TSRI	20%	10%
MTI	20%	10%
STI	60%	30%
PI	Modifier	1,0

Calculation of non-share-based variable remuneration		
TSRI	x	PI-Modifier
MTI		
STI		

In view of the different performance periods for the individual remuneration components, in the first two years (i.e. for the non-share-based variable remuneration for 2024 and 2025), the weighting of the remuneration components will differ.



6. Share-based long-term variable remuneration (Long-Term Incentive Plan, LTIP)

6.1 Basic principles

The company may grant a long-term variable remuneration component, structured as a share-based Long-Term Incentive Plan (LTIP), to one or more members of the Executive Board on a one-off or repeated basis.
An LTIP is a share-based remuneration instrument for an Executive Board member that is designed to support the medium and long-term creation of value by the company. The aim of the LTIP is to combine the interests of the Executive Board member and the company's shareholders by giving the Executive Board member a performance-related opportunity to acquire shares in the company, based on the achievement of certain medium and long-term targets. The LTIP is based, in particular, on sustainable, long-term and multi-year performance criteria, including non-financial criteria. Further, the LTIP is designed to avoid enticements to take unnecessary risks and is focused on the positive long-term development of the company. In this way, the LTIP takes into account the specific recommendations of the Austrian Code of Corporate Governance (especially rules 27 and 28).

6.2 Design and entry into force of the LTIP

An LTIP may be agreed at annual or multi-year intervals. Every LTIP is designed by the Remuneration Committee, submitted to the full Supervisory Board for a resolution, and comes into effect, following approval by the General Meeting, on the commencement date set out in the LTIP. Every LTIP meets the requirements of the Austrian Code of Corporate Governance.

6.3 Participants, performance targets, maximum limit for long-term variable remuneration

When designing an LTIP, the Remuneration Committee defines, in particular, the eligible participants, the performance criteria to be used for the LTIP and their relative weighting, and the specific targets for each criterion.
To comply with C rule 28 of the Austrian Code of Corporate Governance, care must be taken, in particular, to agree clear, full and differentiated and measurable targets for the LTIP that support the positive long-term development of the company and avoid a focus on purely short-term effects.
It is not possible to change the performance criteria retrospectively.
Further, the Remuneration Committee sets the maximum number of shares that may be allocated to an Executive Board member. In accordance with C rule no. 27 of the Austrian Code of Corporate Governance, the maximum limit for the amount of the LTIP that may be paid out in the form of shares in the company is set at 200% of the (gross) annual base salary of the respective Executive Board member and there is no entitlement to amounts exceeding this level.

6.4 Performance period, waiting period, payment, retention period

In accordance with C rule no. 28 of the Austrian Code of Corporate Governance, the duration of each LTIP is three years (performance period). Entitlement to the disbursement of shares

under an LTIP arises at the end of the third financial year provided that the targets agreed in the LTIP are achieved.
Achievement of the targets is determined by the company’s Supervisory Board, represented by the Remuneration Committee; over-achievement of one performance criterion/target may offset under-achievement of another performance criterion/target. Assuming 100% target achievement in the performance period, the Executive Board member will be allocated the total number of shares that can be allocated under the LTIP – within the framework of the maximum amount set. The maximum amount and the maximum number of shares may not be exceeded even in the event of over-achievement of the targets set for the performance period. If target achievement is lower, the number of shares is reduced analogously on a straight-line basis. If total target achievement is less than 50%, the Executive Board member shall not be entitled to any shares under the LTIP.
The shares are transferred to the Executive Board member after determination of target achievement and approval of the disbursement by the Supervisory Board.
The LTIP must specify that, after the expiry of the performance period, the Executive Board member may sell a maximum of 30% of the shares acquired in an LTIP in any calendar year. Further, it shall define that the Executive Board member shall maintain a minimum shareholding of 7,000 shares, until the member leaves the company's Executive Board.

7. Sign-on bonus

With the approval of the full Supervisory Board, the Remuneration Committee may, in individual cases, grant a one-time sign-on bonus for a candidate who is to be appointed (for the first time) to the Executive Board in order to gain the most suitable candidate to fill a post on the Executive Board. The amount of the sign-on business must be appropriate and may not exceed 20% of the (gross) annual base salary that is to be agreed.

8. Claw-back clause

A claw-back clause for variable remuneration components in accordance with C rule 27 of the Austrian Code of Corporate Governance shall be included in all employment contracts with Executive Board members, insofar as such remuneration was determined and disbursed on the basis of obviously incorrect data. In particular, this shall also apply for any extension of existing Executive Board contracts. Repayment in instalments may be agreed, depending on the individual circumstances.

9. Remuneration and employment conditions of employees

There should be an appropriate relationship between the annual base salary (gross, including payroll-related costs) of the Executive Board members and the remuneration and employment conditions of the company's employees (based on average annal base salary [gross, including payroll-related costs] of employees of Frequentis AG, calculated on the basis of full-time employment).

10. Duration and termination of contracts with Executive Board members

10.1 Duration and termination

The maximum duration of employment contracts of Executive Board members is five years. In any case, it is coupled to their term of office. If an Executive Board member is reappointed, the duration of their employment contract is extended accordingly.
If the appointment of an Executive Board member is terminated for good cause within the meaning of Section 75 (4) AktG, the company is entitled to terminate the employment contract before it ends if, at the same time, there is a gross breach of duty by the Executive Board member that would entitle the company to dismiss him/her in application, mutatis mutandis, of Section 27 of the Austrian Employees Act (AngG).
The withdrawal of confidence by the General Meeting without any such reason for dismissal therefore does not entitle the company to prematurely terminate the employment contract. In such case, the employment contract shall be dissolved by mutual agreement at the end of the next half year. If an Executive Board member steps down, this shall also be deemed to be notice of termination of the employment contract as of the same effective date.

10.2 Consequences of termination

10.2.1 (Voluntary) termination and severance pay

In the case of Executive Board members who are entitled to severance pay within the meaning of Section 23 AngG – on either statutory or contractual grounds (see subsection 4.4 above) – the severance pay shall be due and payable on the day on which the employment contract ends.
However, there is no entitlement to such payments if the appointment of the Executive Board member is terminated as a result of gross breach of duty according to Section 75 (4) AktG and the employment contract is terminated prematurely in application, mutatis mutandis, of Section 27 AngG, or if the Executive Board member resigns without good reason or without the agreement of the Supervisory Board. One present Executive Board contract contains an agreement that the Executive Board member is entitled to a voluntary severance payment, which may not, however, exceed 50% of the member’s (gross) annual base salary, if the appointment of the Executive Board member is not renewed by the Supervisory Board, without good cause within the meaning of Section 75 (4) AktG. If an employment contract is dissolved by mutual agreement as a result of the withdrawal of confidence by the General Meeting, the Executive Board member concerned shall receive the further remuneration to which they are entitled for the original term of the contract as a severance payment, but at most two years’ total remuneration.

10.2.2. Long-Term Incentive Plan

If an employment contract ends during the performance period of an LTIP agreed with the Executive Board member concerned, the LTIP also ends with immediate effect.
If the company terminates the employment contract for good cause within the meaning of Section 27 AngG or if the Executive Board member resigns from the

company’s Executive Board without good cause, the Executive Board member shall not be entitled to any shares under the LTIP. If the Executive Board member leaves the company's Executive Board before the end of the performance period for the LTIP due to premature termination of the contract with the Executive Board member by the company without good cause or if the Executive Board member leaves for good cause or due to retirement, they shall be entitled to the proportionate number of shares allocable under the LTIP insofar as the targets were achieved by the leaving date. This shall also apply if the Executive Board member leaves the company's Executive Board before the vesting date because the term of office ends and the Supervisory Board does not resolve on reappointment of the member without the member having given good cause therefor. If the employment contract ends as a result of the death or permanent incapacity of the Executive Board member, the share-based payment under an LTIP that was not yet due will be calculated as at the date of death or date of permanent incapacity to work and disbursed in cash; the amount shall be based on the actual target achievement as at the date of death or the date of commencement of the permanent incapacity to work. If the employment contract of an Executive Board member is dissolved by mutual agreement, an agreement on the current LTIP shall be made.

11. Procedure for the remuneration policy

This remuneration policy was drafted by the Remuneration Committee and adopted by the Supervisory Board of Frequentis AG in its resolution of 27 March 2024. The remuneration policy will be submitted to the vote at the 17th Annual General Meeting of Frequentis AG. In accordance with Section 78b (1) AktG, the remuneration policy must be submitted to he General Meeting for a vote at least every fourth financial year.
At least every fourth financial year, the Remuneration Committee shall therefore review the remuneration policy – if necessary, in consultation with internal and external experts – and assess whether a revision is necessary. The Remuneration Committee shall then make a recommendation to the Supervisory Board. The same applies for every significant change in the remuneration policy before this time. The Supervisory Board shall then adopt a resolution on the remuneration policy and make a corresponding proposal for a resolution by the General Meeting.
If a member of the Remuneration Committee and/or a member of the Supervisory Board of Frequentis AG has a conflict of interest with regard to the remuneration of the Executive Board, the member shall proactively report this conflict of interest and shall abstain from voting.

12. Temporary deviation from the remuneration policy

Deviation from this remuneration policy to the benefit of an Executive Board member is only possible in exceptional circumstances and only on a temporary basis. Such deviation may only relate to subsections 4.1 and 5. Exceptional circumstances are defined exclusively as situations where deviation from the remuneration policy is necessary for the long-term development of the company or to ensure its profitability.

Any member of the Executive Board or Supervisory Board may apply for a deviation, which requires a resolution of approval by the Supervisory Board. This resolution shall set out whether exceptional circumstances apply and whether, and for how long and in what form deviation from this remuneration policy is necessary for the long-term development of the company or to ensure its profitability. Any deviation from this remuneration policy, including an explanation of the exceptional circumstances and the duration of such deviation, must then be outlined in the next remuneration report.

13. Significant changes to the remuneration policy

Some editorial changes have been made to this remuneration policy compared with the version adopted at the 13th Annual General Meeting and the following amendments have been made:

- The possibility of adjusting the annual base salary of Executive Board members during a term of office (on a one-off basis following the first half of the term of office), at the sole discretion of the Remuneration Committee, has been added.
- The previous scope to agree non-share-based variable remuneration components has been defined in more detail and extended. Within the meaning of C rule 27 of the Austrian Code of Corporate Governance, it is proposed that it should be possible to agree mid- and long-term performance criteria for all Executive Board members that include individual non-financial targets, especially in connection with the company's ecological and social responsibility, and the development of the company's share price relative to a peer group.
- The former ability to grant a special bonus on an ad-hoc basis has been restricted to the granting of a sign-on bonus for newly designated Executive Board members.