Annex to agenda item 8 – remuneration system for the Managing Directors

Remuneration System 2024 for the Managing Directors

1. **Further development of the remuneration system and its principles**

   The remuneration system for the Managing Directors was developed in 2021 against the backdrop of the planned further expansion of the GFT Group's market position as a leading international technology partner for banks, insurers and industrial companies. Its aim is to raise the company's long-term enterprise value by generating profitable growth. At the same time, the remuneration system is intended to ensure internationally competitive remuneration for the Managing Directors.

   The Remuneration System 2021 was presented to the Annual General Meeting on 10 June 2021. The Annual General Meeting approved the system with a majority of 78.57% of the valid votes cast.

   In its financial year 2023, the GFT Group generated revenue of around €802 million (2020: €445 million), which corresponds to an increase of around 80% in four years. The EBT margin (ratio of EBT (earning before taxes) to revenue) amounted to around 8.5% in 2023 (2020: 3.2%). This corresponds to an increase of 5.3 percentage points. The GFT Group's revenue share with clients outside Germany amounted to around 87% in the financial year 2023. The GFT Group has therefore significantly expanded its market position as an international technology company.

   The further development of the remuneration system (Remuneration System 2024) with effect from 1 January 2024 is therefore intended to promote the sustainable enhancement of enterprise value through profitable growth to an even greater extent and to take greater account of further internationalisation. The Remuneration System 2024 and the considerations underlying its further development therefore also serve the interests of shareholders in a sustained increase in enterprise value.

   The GFT Group aims to significantly expand its market position as one of the leading technology partners for banks, insurers and industrial companies in the coming years, especially at an international level. Among other things, this will require the Group to step up its marketing and sales activities as well as its Global Delivery Model. The Remuneration System 2024 will facilitate this expansion by providing even greater incentives for the GFT Group's long-term profitable growth, while also taking into account the GFT Group's increasingly international focus.

   When determining the remuneration system and the specific remuneration components, as well as the other contractual terms of the service agreements with the Managing Directors, the Administrative Board attaches particular importance to the following principles:

- The remuneration system is designed to promote the corporate strategy as well as the long-term and sustainable development of GFT Technologies SE and the GFT Group.
- The specific remuneration components are linked to the performance of the Managing Directors. Special achievements are honoured; failure to meet targets reduces remuneration.
- Remuneration is commensurate with the tasks and performance of the Managing Directors and is also appropriate as a whole. At the same time, the GFT Group's strong international alignment is appropriately taken into account.
- The incentives of the remuneration systems for the Managing Directors and the most senior executives are aligned with each other.

  The remuneration system for the Managing Directors is clear and comprehensible. It contains the disclosures required by section 87a AktG[3] and takes into account the recommendations of the German Corporate Governance Code ('the Code') in the version dated 28 April 2022.

2. Changes compared to the Remuneration System 2021

In order to strengthen the incentivising effect of the remuneration system in the interests of promoting the Group's strategy of long-term and international growth while also making the GFT Group more attractive for internationally experienced managers, the Administrative Board has decided to make the following changes:

- Profit target (EBT margin): increased weighting of the profit target (STI 2), particularly in relation to the growth target (STI 1), in order to emphasise even more strongly the importance of profitable growth for the sustained enhancement of enterprise value.
- Horizontal remuneration comparison: expansion of the peer group to include comparable listed companies from other countries in order to take greater account of the GFT Group's global footprint.
- Vertical remuneration comparison: change to the peer group for employees so that shifts in the proportion of employees in the various national companies and different developments in personnel expenses in the individual countries do not lead to distortions in the comparison. In addition, change to the peer group for the most senior executives in order to include an international group of employees in the comparison.
- Ratio of fixed to variable remuneration at 100% target achievement: flexibilisation of the bandwidths for fixed remuneration and variable remuneration in order to take greater account of the different roles of the Managing Directors.
- Maximum remuneration: significant increase in maximum remuneration in order to make the GFT Group more attractive for internationally experienced and/or foreign executives, also from within the company, if very ambitious and clearly defined (growth) targets are met, and to enable internationally competitive remuneration for the Managing Directors.

3. Procedure for establishing, implementing and reviewing the remuneration system

Procedure for establishing, implementing and reviewing the remuneration system

The remuneration system for the Managing Directors is developed and determined by the Administrative Board with the aim of promoting the business strategy and the long-term and sustainable development of GFT Technologies SE and the GFT Group.

The Administrative Board has not established a Remuneration Committee to date. The full Administrative Board consists of seven members, all of whom are shareholder representatives. In addition, the rules for dealing with conflicts of interest described below stipulate, among other things, that the members of the Administrative Board who are appointed as Managing Directors do not participate in discussions or resolutions on the remuneration system. As a result, five members of the Administrative Board are involved in the decision-making process. In view of this modest number, the establishment of a Remuneration Committee is not considered appropriate.

[3] Section 87a AktG applies accordingly to the single-tier SE structure due to the reference in section 40 (7) SEAG.

An external remuneration expert has not been consulted to date. However, the Administrative Board reserves the right to do so in future. The Administrative Board will ensure that any external remuneration experts are independent of the Managing Directors and the company and will take precautions to avoid conflicts of interest.

The remuneration system adopted by the Administrative Board is subsequently submitted to the Annual General Meeting for approval.

The Administrative Board regularly reviews the remuneration system. If necessary, it makes amendments and submits the amended remuneration system to the Annual General Meeting for approval. The system is submitted to the Annual General Meeting for approval at least every four years.

If the Annual General Meeting does not approve the remuneration system to be voted on, a revised remuneration system is to be presented at the following Annual General Meeting at the latest.

Dealing with conflicts of interest

The Administrative Board’s currently valid rules for dealing with conflicts of interest are also observed without restriction throughout the procedure for establishing, implementing and reviewing the remuneration system. In particular, these stipulate that members of the Administrative Board who are appointed as Managing Directors do not participate in discussions or resolutions on the remuneration system.

Scope of application

The remuneration system for the Managing Directors presented below will come into force retroactively as of 1 January 2024.

4. Temporary deviations from the remuneration system

The Administrative Board may temporarily deviate from the remuneration system should this be necessary in the interests of the company's long-term well-being. This may be the case in exceptional circumstances, e.g. in the event of an economic or company crisis. Exceptional circumstances and deviations from the remuneration system must be determined by a resolution of the Administrative Board. Those components of the remuneration system that may be deviated from are the remuneration structure and amount as well as the individual remuneration components.

5. Remuneration components

Total remuneration comprises fixed and variable components. The fixed components of the Managing Directors' remuneration are the annual fixed salary and fringe benefits. The variable components are the one-year variable remuneration and the multi-year variable remuneration with three-year vesting period.

Fixed remuneration	**Annual fixed salary**	▪ Annual fixed salary ▪ Paid in twelve monthly instalments	
	Fringe benefits	In particular: ▪ Non-cash advantage of company car also available for private use ▪ Premiums for accident insurance ▪ Contributions to pension and health/long-term care insurance ▪ Poss. cost of maintaining a second household	
Variable remuneration	**Short-term incentive (STI)**	▪ Performance criteria: › Revenue growth › Operating margin › Sustainability target	▪ Payout of 1/2 to 2/3 after expiry of the respective financial year ▪ Conversion of 1/3 to 1/2 into long-term variable remuneration (LTI)
	Long-term incentive (LTI)	▪ Performance criteria and weighting correspond to those of STI in first year of the respective performance period ▪ During the three-year vesting period: GFT share performance	▪ Virtual share plan ▪ Payment after expiry of a three-year vesting period following the one-year performance period of the STI
Other benefits	**Benefits to newly appointed Managing Directors**		▪ Poss. payments to offset forfeiting of variable remuneration or other financial disadvantages ▪ Poss. benefits in connection with a change of location
	Benefits in the event of extraordinary developments	▪ In particular consideration of company's long-term development and long-term and consistently successful management	▪ Poss. discretionary bonus

Fixed remuneration components

Fixed remuneration consists of the annual fixed salary and fringe benefits. The annual fixed salary is paid in monthly instalments. Fringe benefits may vary from year to year according to person and event and may also be agreed in the form of a lump sum. In particular, they comprise the non-cash advantage of a company car which is also available for private use, premiums for an appropriate accident insurance policy, tax consultancy costs (particularly for international activities), relocation costs as well as contributions to pension and health/long-term care insurance to the usual extent and, if applicable, to the cost of maintaining a second household.

Variable remuneration components

Variable remuneration for each financial year (grant financial year) consists of three components with a one-year assessment basis (the short-term incentives STI 1, STI 2 and STI 3) and one component which is derived – in part – from this total with a three-year vesting period (long-term incentive/LTI).

Short-term incentive (STI)

One-year performance-related remuneration is based on the degree to which the following targets are achieved:

- Growth
- Profit
- Sustainability

Growth target (STI 1)

The growth target describes the targeted percentage increase in revenue compared to the previous financial year. Either the revenue of the GFT Group or the revenue of a subunit is agreed with each Managing Director as the basis for assessment. Depending on the degree to which the target is achieved, the resulting amount lies between zero and a defined maximum amount.

This variable component thus rewards revenue growth from one financial year to the next. It serves the target of expanding the global market position of the GFT Group as a leading technology partner for banks, insurers and industrial companies.

Profit target (STI 2)

The profit target describes the targeted ratio of EBT (earnings before taxes) to revenue. EBT and revenue of either the GFT Group or a subunit thereof is agreed upon with each Managing Director as the basis of assessment. Depending on the degree to which the target is achieved, the resulting amount lies between zero and a defined maximum amount.

This variable component ensures that not only revenue growth, but also the operating margin is incentivised. It serves the target of achieving profitable growth.

Sustainability target (STI 3)

The Administrative Board sets one or more social or ecological targets for the respective financial year ahead. Depending on the degree to which the target is achieved, the resulting amount lies between zero and a defined maximum amount.

This variable component incentivises the achievement of company-specific sustainability targets. The Administrative Board selects one or more of the following sustainability targets: staff training and development, promotion of external IT talent, energy savings, promotion of workforce and/or management diversity within the GFT Group, as well as employee and/or client satisfaction. The Administrative Board is entitled, at its own discretion, to select other sustainability targets instead of one or more of the aforementioned sustainability targets, provided that non-financial performance indicators are specified for these in the combined management report, or these are specified as additional sustainability targets in a future sustainability report, and the Administrative Board is convinced that these sustainability targets are equally suitable for promoting the long-term development of the company and incentivising the Managing Directors accordingly.

The variable component ensures that not only the shareholders' interest in profitable growth is incentivised, but that the interests of the general public in sustainable corporate activity are also taken into account.

No subsequent changes can be made to the targets and parameters for the variable remuneration components of a current period.

The three components of the STI are currently weighted as follows: achievement of the revenue growth target accounts for 40%, the operating margin target for 50% and the sustainability target for 10% of the 100% achievement of short-term variable remuneration. The Administrative Board may adjust the weighting for future financial years if this is deemed necessary for the company's long-term and sustainable development. In particular, the Administrative Board may significantly increase the weighting of the operating margin target with a corresponding adjustment to the weighting of the other targets.

Calculation of the short-term incentive, payout or partial conversion into the long-term incentive

The amounts resulting from the degree of achievement of the growth, profit and sustainability targets are added together on expiry of the respective grant financial year.

Of the resulting total annual STI amount, between one half and two thirds is paid to the Managing Directors at the end of the calendar month following the calendar month in which the consolidated financial statements for the grant financial year are approved by the Administrative Board, in accordance with the rules set out in advance in the service agreement. The specific proportion (half to two-thirds) is determined by the Administrative Board before the conclusion of each service agreement with a Managing Director.

The remaining amount (one third to half of the STI) is retained by the company and converted into long-term variable remuneration (LTI) for the relevant financial year (conversion amount).

Should the service agreement commence or end during the course of the grant year, the total amount of the STI is reduced pro rata temporis. Should the service agreement end during the course of a calendar year, the STI payment amount is not paid out prematurely but on the regular date. If the employment relationship ends due to permanent disability or death, the total amount of the STI can be paid out immediately if a corresponding contractual agreement has been made.

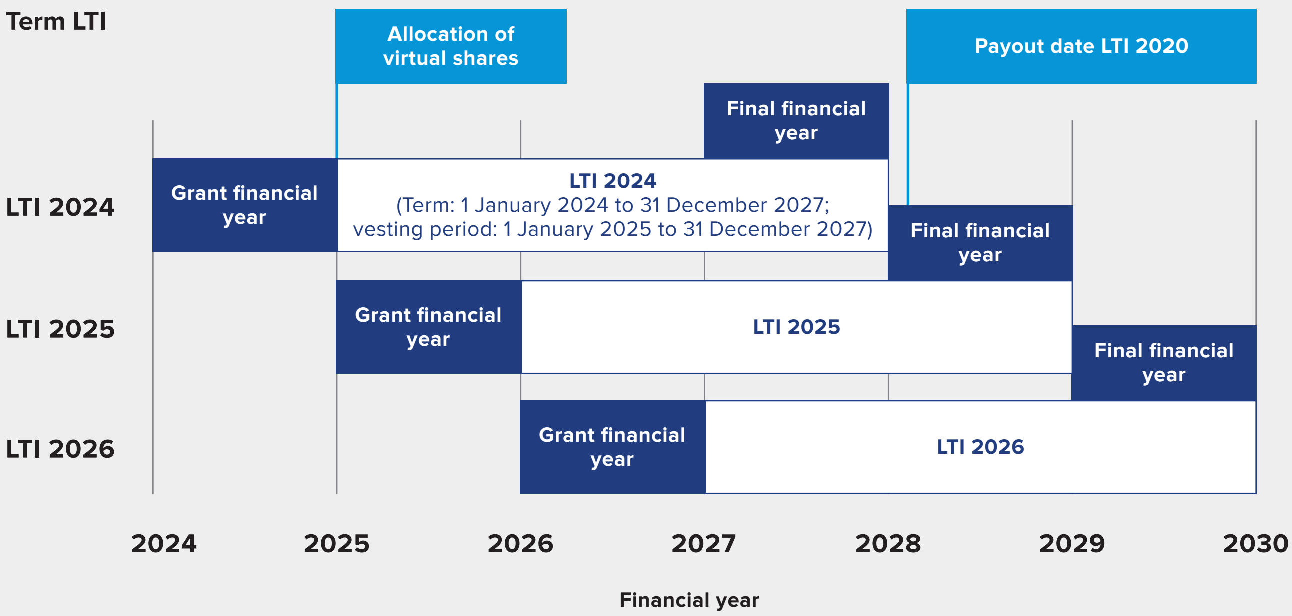
Long-term incentive (LTI)

Every year, the Managing Director is allocated a number of virtual shares for the conversion amount (granted virtual shares). The virtual shares are a purely calculated figure. The number of virtual shares in one tranche is determined by dividing the conversion amount by the average price of the GFT share, weighted according to trading volume and rounded to two decimal places, on all trading days of the grant financial year in the XETRA trading system of Deutsche Börse AG in Frankfurt (or any trading system replacing it).

The virtual shares granted are to be held by the Managing Directors for a period of three financial years (vesting period). The vesting period starts retroactively on 1 January of the financial year following the grant financial year and ends on 31 December of the third year following the grant financial year (final financial year). After expiry of the vesting period, the virtual shares granted are converted back into a cash payout amount.

For this purpose, the number of virtual shares granted is multiplied by the average price of the GFT share, weighted according to trading volume and rounded to two decimal places, on all trading days of the final financial year in the XETRA trading system of Deutsche Börse AG in Frankfurt (or any trading system replacing it). The resulting amount is paid out to the Managing Director – subject to any reduction in the event of extraordinary developments (see below).

The long-term incentive is aimed at rewarding growth that is suited to raising enterprise value and thus sustainably increasing the GFT share price over the long term.



Should the service agreement end during the course of a calendar year, the LTI payment amount and/or the virtual shares granted are not generally paid out prematurely, but on the regular date, i.e. on expiry of the three-year vesting period. If the employment relationship ends due to permanent disability or death, the LTI payment amount and/or the virtual shares granted can be paid out immediately if a corresponding contractual agreement has been made.

In the event of extraordinary developments, the Administrative Board has the option to reduce the LTI payout to an appropriate extent or to grant a discretionary bonus.

Reduction of the LTI payout amount in the event of extraordinary developments

The Administrative Board may, at its own discretion and in accordance with the detailed provisions of the service agreements, reduce the LTI payment amount, taking particular account of the individual performance of the respective Managing Director. This option only exists if extraordinary developments in a final financial year have had a particularly positive and sustained impact on the GFT share price. However, it is not permissible to reduce the amount below the conversion amount plus interest at a rate of five percentage points above the base interest rate from the date of receipt of the corresponding allocation letter.

Discretionary bonus

In the event of extraordinary developments with a particularly negative impact on the variable remuneration of a Managing Director, the Administrative Board may, at its own discretion, decide to grant the Managing Director a discretionary bonus. In exercising its discretion, the Administrative Board shall take particular account of the company's long-term development and its long-term and sustainable successful management. The discretionary bonus may not exceed an amount agreed individually with each Managing Director. The Administrative Board is free to grant the discretionary bonus in whole or in part in cash or in virtual shares which are subject to the rules of the long-term incentive.

Other benefits

In addition, the Administrative Board has the right to grant newly appointed Managing Directors additional benefits that are limited in time or agreed for the duration of the service agreement. These benefits may include, for example, payments to compensate for salary losses or other financial disadvantages, such as due to the non-fulfilment of vesting periods for share-based remuneration, as well as a sign-on bonus. Moreover, costs incurred in connection with maintaining a second household and relocation, for example, may also be covered.

6. Determination of target total remuneration and consideration of remuneration and employment conditions of employees

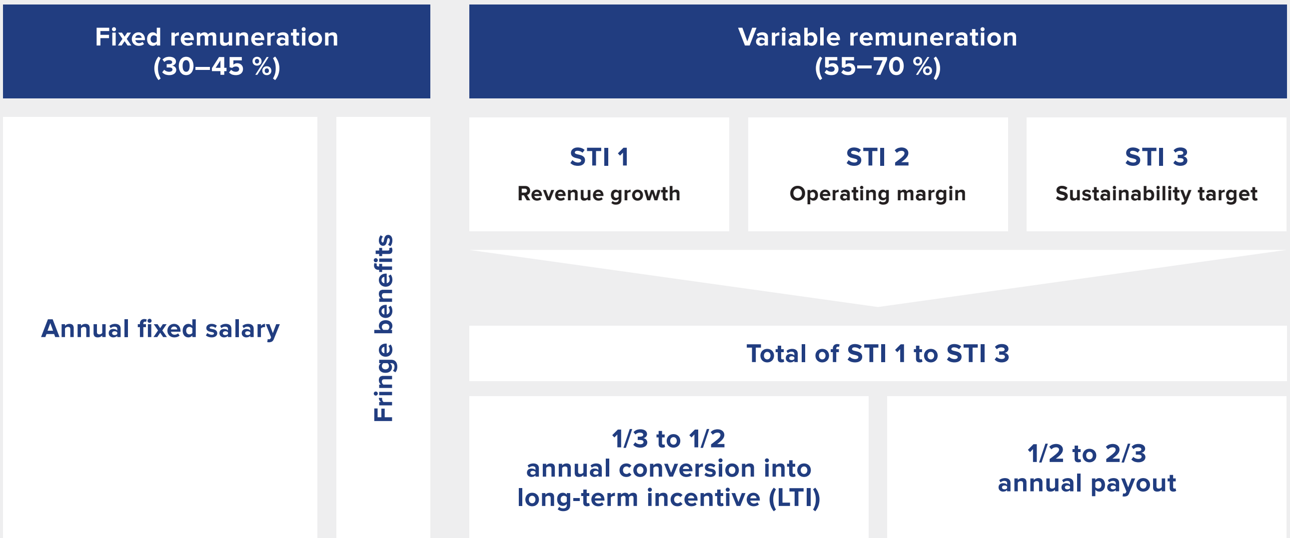
The Administrative Board sets the specific remuneration for the Managing Directors in compliance with the requirements of section 87 AktG and in accordance with a remuneration system submitted to the Annual General Meeting for approval. For the respective financial year, it decides on the amount of the target total remuneration (total remuneration on 100% target achievement) for each Managing Director. In doing so, the Administrative Board ensures that the individual remuneration components and the target total remuneration are appropriate for the tasks, requirements and performance of the Managing Director, the economic situation and the success and future prospects of the GFT Group, and do not exceed customary remuneration without special reasons.

The Administrative Board also ensures that the level of remuneration is in line with market practice. The determination of what is in line with market practice is based on a horizontal comparison of remuneration and a vertical comparison of remuneration and employment conditions:

- Horizontal remuneration comparison: in order to assess whether target total remuneration is in line with market practice, remuneration data from listed companies with a comparable market position (in particular with regard to sector and internationality, size and complexity of the business) is used.
- Vertical comparison: the Administrative Board also takes into account the remuneration and employment conditions of permanent employees when determining the remuneration system, as well as when determining the individual target total remuneration and maximum remuneration. On the one hand, the employment conditions of the employees of GFT Technologies SE are taken into account; on the other hand, the multi-year development of the remuneration of the Managing Directors in relation to the remuneration of the employees of GFT Technologies SE and the remuneration of the most senior executives of the entire GFT Group is taken into account. The most senior executives consist of the members of the Group Executive Board. The remuneration system allows the Administrative Board, when concluding or prolonging a service agreement, to determine target total remuneration on the basis of the varying functions and experience of the Managing Directors as well as market conditions. This can affect the determination of the absolute remuneration amount and the remuneration structure. For example, an individual Managing Director, such as the Chairperson, may receive higher total remuneration than other Managing Directors.

In addition, the Administrative Board has the option to adjust solely individual rather than all remuneration components as part of its regular review of remuneration for the Managing Directors, taking into account market conditions and appropriateness. This means, for example, that long-term variable remuneration can be specifically adjusted in line with changes in market practice. Consequently, the differentiation options described above mean that the shares of the individual remuneration components in the target total remuneration are specified in percentage ranges in the remuneration system as described below.

7. Relative shares of fixed remuneration, short-term and long-term variable remuneration components in target total remuneration



The target total remuneration is the sum of all remuneration amounts for the respective financial year in the case of 100% target achievement.

The total target remuneration comprises fixed and variable remuneration in the case of 100% target achievement. Fixed remuneration includes the target fringe benefits, which can naturally vary from year to year depending on the person and events. The target fringe benefits represent the amount that the Administrative Board has set as the target value for fringe benefits in an average financial year, taking into account past experience and a safety margin.

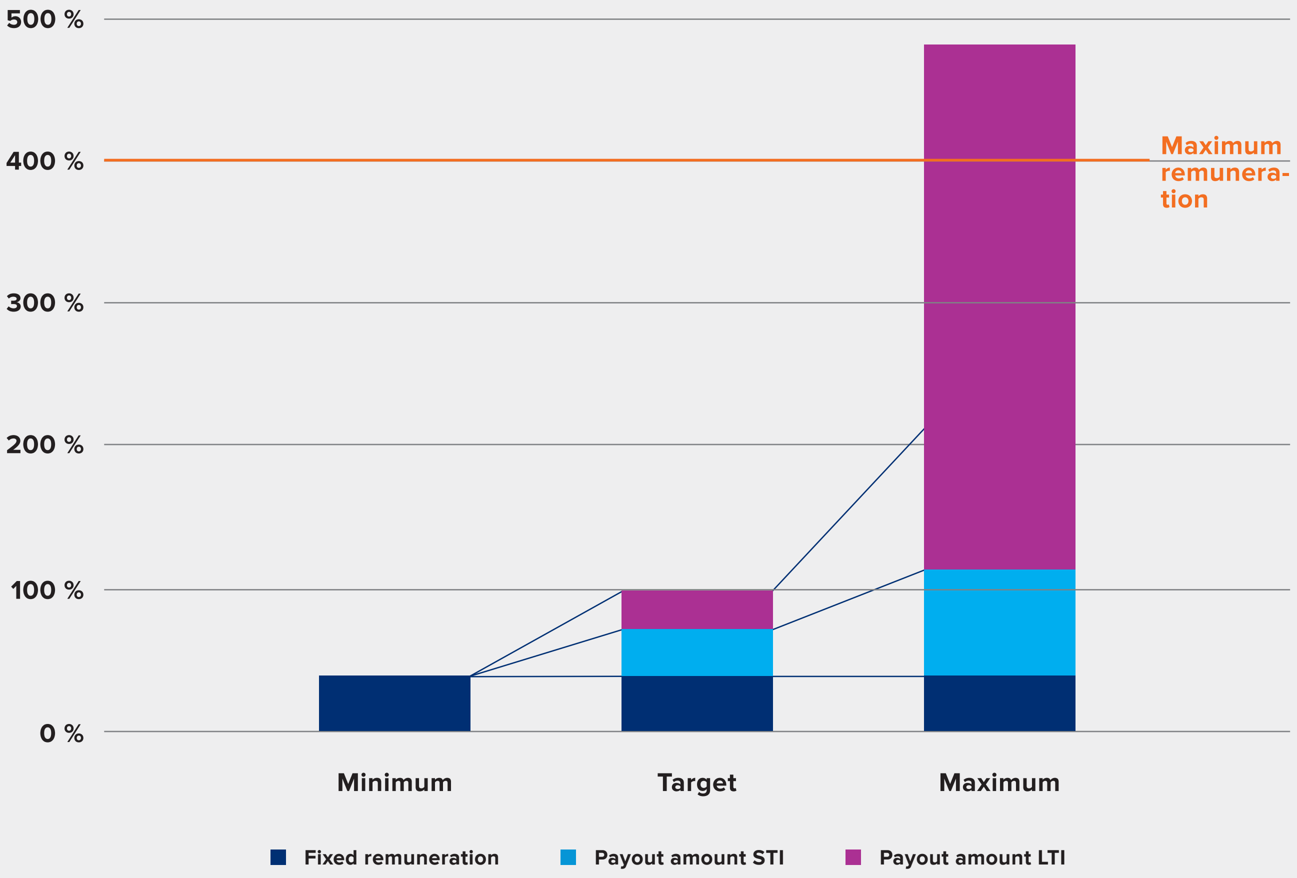
Fixed remuneration (basic remuneration and target fringe benefits) accounts for approximately 40% of total target remuneration. This percentage may vary in future due to functional differentiation and/or as a result of the regular review of remuneration and adjustments in line with market practice. The Administrative Board sets fixed remuneration within a range of 30% to 45% of target total remuneration.

Total variable remuneration (STI and LTI) accounts for around 60% of target total remuneration. Through functional differentiation and/or as part of the regular review of remuneration, the Administrative Board can in future set total variable remuneration within a range of 55% to 70% of target total remuneration.

Short-term variable remuneration (STI) accounts for approximately 32% of target total remuneration, whereby the Administrative Board may in future set short-term variable remuneration within a range of 30% to 40% of target total remuneration in order to take account of functional differentiation and/or as part of the annual review of remuneration.

Long-term variable remuneration (LTI) accounts for approximately 28% of total target remuneration. In order to take account of functional differentiation, the Administrative Board may in future set long-term variable remuneration within a range of 25% to 35% of target total remuneration.

The aforementioned percentages may vary, for example, due to benefits paid to newly appointed Managing Directors or the development of expenses for contractually agreed fringe benefits and for any new appointments.



8. Maximum remuneration

In order to ensure that the remunerati on system has a corresponding incentivising effect, the variable remuneration components are designed in such a way that the payout amount can be zero. At the same time, all variable remuneration components are capped.

The Administrative Board has also set a maximum remuneration amount for the Managing Directors, which comprises all remuneration components. If, in exceptional cases, other benefits or a discretionary bonus are granted to new Managing Directors in a financial year, these are also included in the maximum remuneration. The maximum remuneration amount is the upper limit of total remuneration of a Managing Director for a financial year which may not be exceeded. Total remuneration in this sense includes the annual fixed salary paid out for the respective financial year, the fringe benefits granted for the respective financial year, the STI granted for the respective financial year and paid out in the following year, the payout amount from the LTI, which is paid out after the three-year vesting period from the conversion amount resulting from the STI granted for the respective financial year and, if applicable, any other benefits granted for the respective financial year to new Managing Directors or a discretionary bonus granted for the respective financial year.

The maximum remuneration achievable for a financial year is €10,000,000 gross for the Chairperson of the Managing Directors, €6,000,000 gross for the Deputy Chairperson and €3,000,000 gross for other Managing Directors. The possible capping of amounts in excess of the maximum amount is made when the LTI due for payment three years after the relevant financial year is paid out.

9. Disclosures regarding remuneration-related legal transactions

Term of the service agreements

Unlike executive board members of a stock corporation under German law, the Managing Directors of an SE can be dismissed at any time, even without cause. As a result, the appointment of Managing Directors is not limited in time.

By contrast, the service agreements with Managing Directors are limited in time. The maximum term is five years. In the case of an initial appointment as Managing Director, the service agreement generally runs for three years.

Termination possibilities and commitments in connection with the termination of employment

Linkage clause

If the company revokes the appointment, the service agreement ends automatically at the end of the statutory notice period (calculated from the end of the appointment) without the need for termination (so-called linkage clause). The same applies if the term of office as Managing Director ends due to resignation.

Compensation on termination of the service agreement due to revocation of the appointment as Managing Director

If the term of office as Managing Director is terminated by the company's revocation of the appointment, not for cause (justifying termination of the service agreement), and the service agreement is terminated as a result, the Managing Director is entitled to severance pay. This corresponds to the contractual remuneration the Managing Director would have received from the time of the premature termination of the service agreement until its regular term expired (remaining term), but for no longer than two years. Premature payment of the LTI is also not provided for in this case.

Termination of the service agreement in the event of permanent incapacity to work or death

In the event of permanent incapacity to work, the company is entitled to terminate the service agreement with one month's notice to the end of the half-year. Permanent incapacity to work exists if the Managing Director is likely to be permanently (regularly for more than 12 months) unable to perform his/her duties for health reasons. In the event of permanent incapacity, the period of continued remuneration is to be no less than twelve months from the date on which the incapacity for work began. This means that, if necessary, the entire remuneration will continue to be paid beyond the premature termination of the employment relationship.

In the event of death, non-performance-based remuneration continues to be paid to the contractually defined surviving dependants in the month of death and in the following six months, but no longer than until the end of the contract.

10. Secondary activities of Managing Directors

The Managing Directors may only take on other paid or unpaid professional activities with the prior consent of the Administrative Board. This applies in particular to serving on supervisory boards, other statutory supervisory bodies and other offices that affect the interests of the company. In making this decision, the Administrative Board also determines whether and to what extent such remuneration is to be offset against the remuneration as Managing Director.

No separate remuneration is granted for mandates within the Group. If remuneration cannot be excluded due to statutory regulations, it is to be offset against the remuneration as Managing Director.