

Annual General Meeting of hGears AG on 11. Juni 2026

Convenience Translation

Note: This is a convenience translation of the German original. Solely the original text in the German language is authoritative.

Explanation on agenda item 6 - amended remuneration system for the members of the Management Board

Remuneration System 2026 for the Management Board of hGears Aktiengesellschaft

A. PRINCIPLES OF THE REMUNERATION SYSTEM AND CONTRIBUTION IN SUPPORT OF THE BUSINESS STRATEGY AND THE LONG-TERM DEVELOPMENT OF THE COMPANY

The remuneration system for the Management Board aims to remunerate the members of the Management Board appropriately in line with their duties and responsibilities and to take into account the performance of each member of the Management Board and the success of the Company. Accordingly, the remuneration system includes variable remuneration components in addition to fixed remuneration components.

It is the Company's goal to grow in the coming years by expanding existing offerings and establishing new product offerings and to sustainably increase the value of the Company in the interests of its shareholders. The remuneration of the Management Board makes an important contribution to supporting these strategic goals and the long-term development of hGears AG.

The orientation towards the financial and sustainability targets to be determined annually by the Supervisory Board as part of the short-term variable remuneration component obliges the Management Board to pay attention to growth and profitability at the same time and thus promotes the strategic goal of profitable growth of the Company. The additional consideration of non-financial sustainability criteria emphasizes the social and ecological responsibility of the Company as well as the goal of sustainable corporate development.

The share-based component of long-term variable remuneration allows Management Board members to participate in the development of the share price, thus further aligning the objectives of management with the interests of shareholders. This gives the Management

Board an incentive to increase the value of the Company in the long term and on a sustainable basis.

The system for the remuneration of Management Board members is designed to be simple, clear and comprehensible and complies with the requirements of the AktG. Where it deviates from the recommendations of the German Corporate Governance Code (“**GCGC**”), such deviation is explained and justified in accordance with the statutory requirements in the Declaration of Conformity.

The Remuneration System 2026 for the Management Board of hGears Aktiengesellschaft applies from 1 January 2026.

B. THE REMUNERATION SYSTEM IN DETAIL

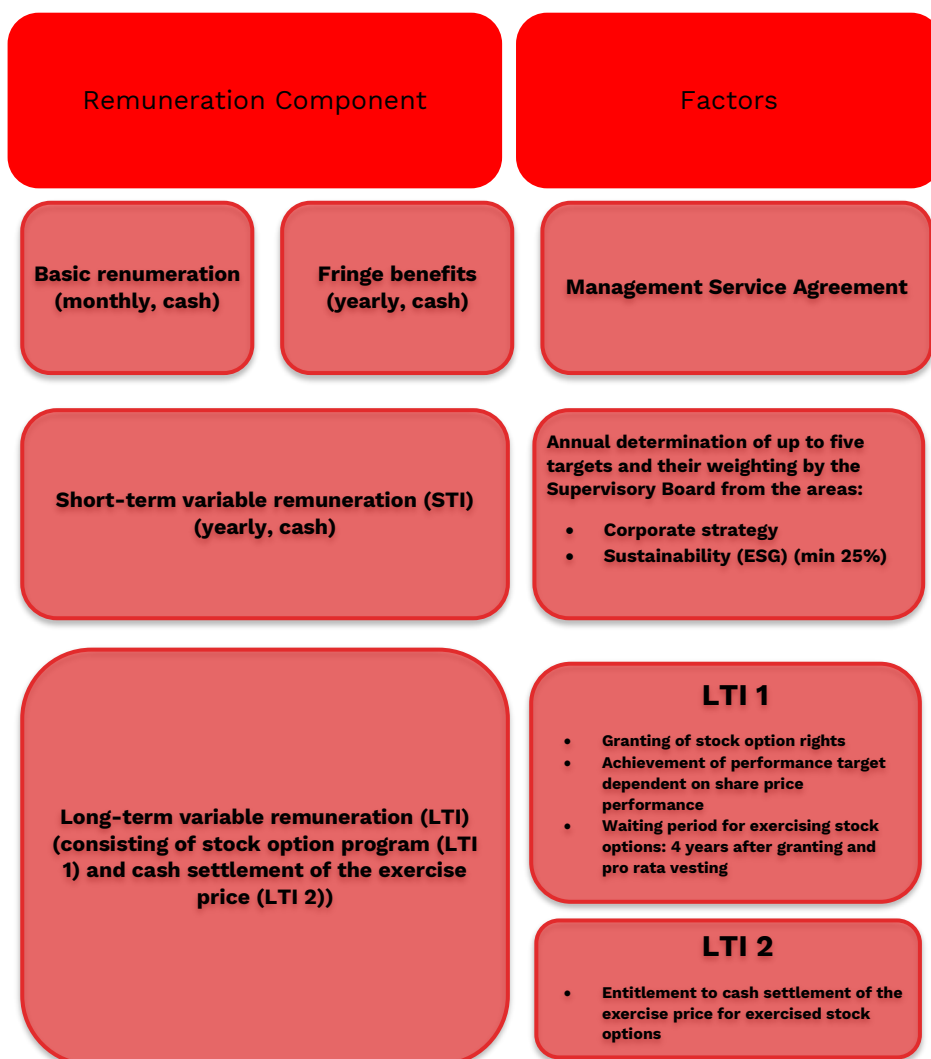
I. REMUNERATION COMPONENTS

1. OVERVIEW OF THE REMUNERATION SYSTEM

The total remuneration of each individual Management Board member comprises the following components:

- Non-performance-related remuneration (fixed remuneration plus fringe benefits)
- Short-term variable remuneration (Short Term Incentive or “**STI**”)
- Long-term variable remuneration (participation in the long-term incentive program, “**LTI**”)

The following table provides an overview of the main components of the Management Board remuneration system:



2. REMUNERATION COMPONENTS IN DETAIL

a. Non-performance-related remuneration

Basic remuneration

The fixed, non-performance-related remuneration component consists of a fixed amount as the basic remuneration. The annual basic remuneration is paid to the Management Board member on a monthly pro-rata basis as a salary. It will be contractually agreed with the respective Management Board members, regularly reviewed and, if necessary, adapted by mutual agreement with the Management Board member concerned.

Fringe benefits

In addition to the basic remuneration, Management Board members are granted certain monetary and non-monetary fringe benefits to an appropriate extent. These include in particular subsidies for health and pension insurance, the conclusion of accident insurance for the benefit of the Management Board member, assumption of costs for the renting of a second flat by the Management Board member and the provision of a company car for appropriate business and private use. The Company bears the operating and maintenance costs for the company car. In addition, the Management Board members receive reimbursement of expenses for travel and other expenses. All benefits in kind are appropriately taxed by the Company.

In addition, the Company provides directors' and officers' liability insurance (D&O insurance) for the members of the Management Board with the usual coverage for the event that a Management Board member is held liable, for a breach of duty committed in the course of his duties, by a third party or by the Company on the basis of statutory liability provisions under private law for a pecuniary loss. The insurance conditions are specified in the respective insurance policy. The deductible corresponds to the minimum deductible pursuant to section 93 (2) sentence 3 of the AktG, as amended. If statutory provisions require a change in the conditions of the insurance, the Supervisory Board may adjust the conditions of the insurance accordingly at any time.

b. Short-term variable remuneration (“STI”)

Each Management Board member receives an annual performance-related bonus (“**Short-Term Variable remuneration**”, “**Short-Term Incentive**,” or “**STI**”) if certain targets are achieved.

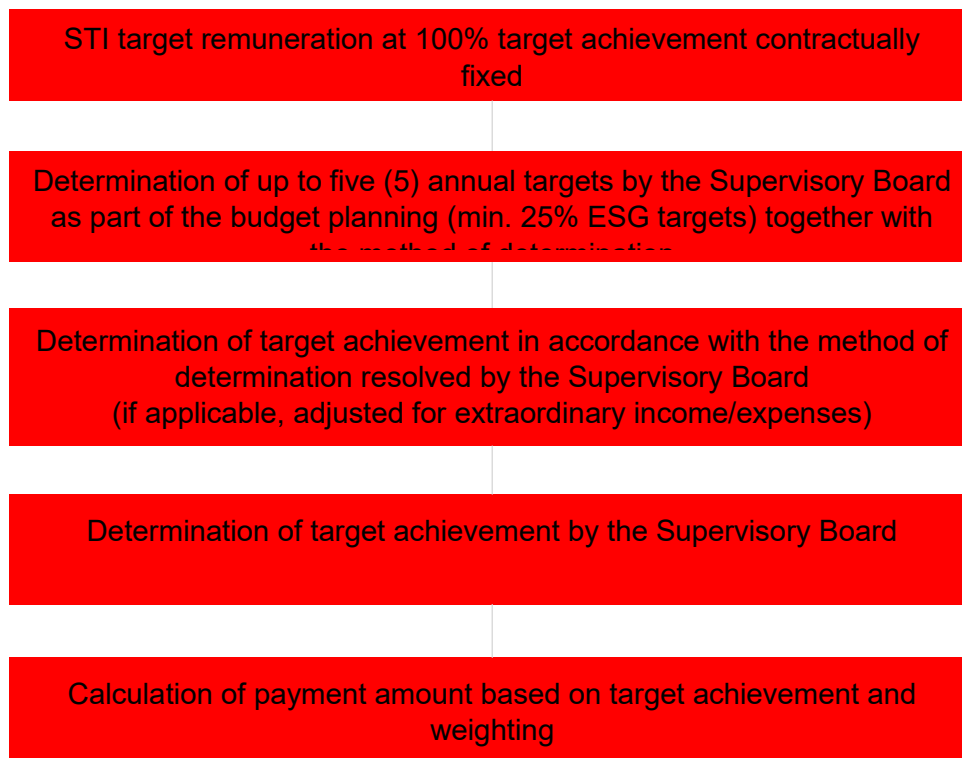
The STI is linked to the achievement of up to five (5) specific targets relating to financial aspects and sustainability (Environmental, Social and Governance, “**ESG**”) for the respective financial year, including the method of determining the degree of target achievement. The determination of the annual targets and their respective weighting in determining the degree of target achievement is made by the Supervisory Board as part of the approval of the budget for the relevant financial year, but no later than the end of March of the financial year for which the respective STI tranche is granted.

The up to five (5) possible targets are selected by the Supervisory Board from the two categories, corporate strategy and sustainability (ESG). 25% of the targets should relate to sustainability (ESG).

Possible targets in the area of corporate strategy are revenue; EBITDA, EBIT, net income; order situation, new business; strategic targets; growth; financing; efficiency improvement; liquidity; free cash flow; dynamic leverage ratio; net financial debt; equity ratio; site-specific targets; distribution capability; share price; earnings per share; dividend per share.

Possible targets in the area of sustainability (ESG) are innovation performance; succession planning; customer satisfaction; employee satisfaction; compliance; proportion of women in management; training and development; sickness rate; energy consumption per working hour; recycling rate.

The STI is structured as follows:



The achievement of the STI target for the past financial year shall be determined by the Supervisory Board no later than at the meeting of the Supervisory Board to adopt the annual financial statements and approve the consolidated financial statements for the past financial year of the Company.

The Supervisory Board is entitled to exclude from the basis for calculating the STI extraordinary income/developments which have led to non-recurring additional income not attributable to an increase in operating business (e.g. sale of part of the company and/or assets, sale of shares, raising of hidden reserves, book profits and comparable influences). The same applies to extraordinary expenses/developments that have resulted in non-recurring additional expenses not attributable to a decline in operating business. Eliminations can be made at any time, but no later than the time when the targets are determined to have been achieved.

The STI for the past fiscal year is paid out annually in cash to the individual Management Board members after the Annual General Meeting of the Company.

If the Management Board service contract begins or ends during a fiscal year, the STI is first determined according to the respective target achievement for the fiscal year in question and then reduced pro rata temporis.

c. Long-term variable remuneration (Long Term Incentive program, “LTI”)

As long-term variable remuneration (“**Long Term Incentive**“ or “**LTI**”), the members of the Management Board are granted option rights to shares in the Company under a stock option program. The LTI is divided into two components: participation in the Company’s stock option program (“**LTI 1**“) and a supplementary cash settlement to cover the exercise price (“**LTI 2**“).

Real Stock Option Rights may only be issued to members of the Management Board by the Supervisory Board on the basis of a corresponding authorization by the Annual General Meeting of the Company pursuant to section 192 (2) no. 3 AktG (“**Authorization**”). Pursuant to section 193 (2) no. 4 AktG, the authorization of the Annual General Meeting must in particular specify the performance targets, acquisition and exercise periods and the waiting period for the first-time exercise of the Stock Option Rights.

Subject to a corresponding authorization by the Annual General Meeting, the Supervisory Board will also introduce stock option programs for the members of the Management Board as LTI in the future (the stock option program hereinafter also “**SOP**”). The objective of SOP is to provide targeted incentives for members of the Management Board of the Company by issuing option rights to shares in the Company. The share subscription component of the LTI enables the members of the Management Board to participate in the development of the share price, thus bringing the objectives of management and the interests of shareholders even more closely in line with each other. This gives the Management Board an incentive to increase the value of the Company in the long term and on a sustainable basis.

The beneficiaries are members of the Management Board of the Company if they are in an employment relationship with the Company at the time the Stock Option Rights are granted.

Content of the Stock Option Rights under LTI 1

Each Stock Option Right granted under SOP entitles the holder of the Stock Option Right in accordance with these terms and conditions to subscribe for one share of the Company representing a pro rata amount of the share capital of EUR 1.00 from the conditional capital created for this purpose against payment of the exercise price. Alternatively, the Company may grant treasury shares against payment of the exercise price.

Issue periods for the Stock Option Rights

The Stock Option Rights under the SOP may be issued in one or more tranches.

Vesting of the Stock Option Rights

The Stock Option Rights issued and acquired under the SOP are not available to the beneficiary immediately and without restriction, but are subject to vesting. The vesting period is three years and begins upon expiry of the issue date. The Stock Option Rights vest pro rata temporis; with each full month since the issue date, 1/36 of the Stock Option Rights granted are deemed to be vested. If the Employment Relationship of a beneficiary with the Company ends before the expiry of three years since the issue date, the Stock Option Rights granted to the respective beneficiary but not yet vested shall be forfeited without compensation and indemnification; this shall not apply if a new Employment Relationship with the Company or an

affiliated company within the meaning of section 15 AktG is established immediately following termination.

Waiting Period and term of the Stock Option Rights and exercise periods

The Stock Option Rights allocated to the beneficiary may be exercised at the earliest after the expiry of a waiting period of four years from the issue date of the respective Stock Option Rights (“**Waiting Period**”). The term of the Stock Option Rights begins on the issue date and ends 12 months after the end of the Waiting Period. Stock Option Rights that have not been exercised by the end of the term expire without replacement and without the need for a declaration by the Company.

Exercise of Stock Option Rights and Exercise Price

Stock Option Rights may only be exercised during their term and after expiry of the Waiting Period. Exercise is only possible during certain Exercise Periods and on condition that the performance targets specified below are met.

When exercising the stock option right, the exercising Management Board member must pay the exercise price per share for each share to be subscribed. The exercise price per share (“**Exercise Price**”) corresponds to the arithmetic mean of the closing prices of the Company’s shares in Xetra trading (or, if Xetra trading no longer exists, a successor system designated by Deutsche Börse AG on the Frankfurt Stock Exchange) over a period of three months prior to the issue date. The Exercise Price may not be less than the minimum issue price pursuant to section 9 (1) AktG, i.e. currently EUR 1.00.

A maximum value applies to the stock option rights granted under the SOP. The maximum value corresponds to the number of stock option rights granted multiplied by EUR 7.00. If the value of all Company shares to which the beneficiary is entitled on the exercise date, based on the closing price in Xetra trading on the exercise date, exceeds the maximum value defined in the grant offer, the exercise shall be rejected to the extent of the number of shares whose value exceeds the maximum value.

Exercise Periods

After expiry of the Waiting Period, Stock Option Rights for which the respective performance target has been achieved may be exercised within the Exercise Periods and outside any exercise blocking periods until the Stock Option Rights expire. Exercisable Stock Option Rights may be exercised in full or in part in one or more Exercise Periods.

Performance targets

The stock option rights issued to the Management Board members under the SOP can be exercised if the arithmetic mean of the closing prices of the Company’s shares in Xetra trading (or in a comparable successor system) on the Frankfurt Stock Exchange on the trading days within a period of three months prior to the performance date specified in the grant offer reaches or exceeds an amount of EUR 3.00 (“**Performance Target**”).

Limitation in the event of extraordinary developments

The Supervisory Board is entitled to refuse the exercise of Stock Option Rights to the extent that their exercise would lead to a disproportionately high remuneration of the beneficiary due to extraordinary, unforeseen developments. The Supervisory Board has sole responsibility for such refusal.

Delisting

If there is a termination of the stock exchange listing of the Company's shares ("**Delisting**") during the term of the stock option rights, the beneficiary shall be entitled to a severance payment for each acquired stock option right for which the Performance Target has been achieved. In the event of a Delisting, the Performance Target is deemed to have been achieved if the closing price of the Company's shares in Xetra trading (or in a comparable successor system) on the Frankfurt Stock Exchange on the last trading day before the Delisting (the "**Delisting Price**") is at least EUR 3.00.

LTI 2 (Cash settlement for exercise price)

In the event that the Management Board member exercises stock options in accordance with the applicable stock option terms and conditions, the Management Board member shall be entitled to a cash payment ("**LTI 2**") for payment of the exercise price, which gross corresponds to the exercise price in accordance with the applicable stock option terms and conditions in conjunction with the grant offer. The LTI 2 payment to the Management Board member shall be made, after deduction of any tax and social security contributions, as soon as possible after the exercise of the stock options. The Management Board member and the Supervisory Board may agree at the time of the exercise declaration that the LTI 2 payment shall not be paid out, but shall be used to settle the Management Board member's tax liability, which the Company is legally obliged to withhold and remit.

d. Imputation of remunerations

Any additional employment - whether paid or unpaid - requires the prior written consent of the Supervisory Board. The Supervisory Board also decides whether remuneration received by the Management Board member for additional employment outside the hGears Group is to be offset against the remuneration owed by the hGears Group.

e. Possibilities of reducing or reclaiming variable remuneration components (Malus/Claw-Back)

If the Company's economic situation deteriorates, the Supervisory Board is entitled pursuant to section 87 (2) AktG to reduce the remuneration of the Management Board members to an appropriate level to ensure appropriate remuneration with an effect for the future.

In addition to this statutory provision, malus provisions exist for variable remuneration. The Supervisory Board may, at its discretion, take into account extraordinarily positive and negative developments when determining the variable remuneration up to a limited annual maximum amount. The maximum amount that may be paid as additional variable remuneration (extraordinarily positive development) or deducted from it (extraordinarily negative development) is EUR 50,000.00 (gross).

With regard to the LTI, the Company is entitled to refuse the exercise of Stock Option Rights to the extent that their exercise would lead to disproportionately high remuneration for the beneficiary due to extraordinary, unforeseen developments. The Supervisory Board has sole responsibility for such rejection.

II. TARGET TOTAL REMUNERATION; RATIO OF FIXED AND VARIABLE REMUNERATION COMPONENTS

The Supervisory Board determines a specific target-total remuneration for each individual Management Board member in accordance with the Management Board member's duties and responsibilities. The target-total remuneration relates in each case to a full fiscal year and is made up of the sum of all remuneration components relevant to the total remuneration which - irrespective of the time of payment - are granted for the fiscal year in question. In the case of benefits in kind granted as fringe benefits, the relevant value for income tax purposes is applied in each case.

The relative share of fixed annual remuneration, i.e. non-performance-related remuneration (fixed basic remuneration and fringe benefits), in the target total remuneration for each Management Board member is generally between 30% and 40%, and the relative share of variable remuneration is between 60% and 70%. The relative share of the STI in the target total remuneration is between 20% and 30%, and the relative share of the LTI (LTI 1 and LTI 2 in total) in the target total remuneration is between 30% and 40%.

In the case of one-time benefits or benefits granted for a limited period, the above relative shares of the individual remuneration components in the target total remuneration may also be deviated from for individual fiscal years.

III. MAXIMUM REMUNERATION FOR INDIVIDUAL MANAGEMENT BOARD MEMBERS

The maximum remuneration for each Management Board member is the sum of the maximum values of the individual remuneration components fixed remuneration, fringe benefits, short-term variable remuneration (STI) and long-term variable remuneration (LTI), as determined on the basis of the individual contractual agreements.

Notwithstanding this, the maximum remuneration is generally limited to EUR 1,300,000.00 gross for the CEO position and to EUR 1,100,000.00 gross for other Management Board members. The Supervisory Board observes that these limits are not reached in any of the current Management Board contracts. In addition, the maximum remuneration does not represent the level of remuneration for the members of the Management Board sought by the Supervisory Board or considered appropriate. It merely sets an absolute limit to avoid disproportionately high Management Board remuneration and is hence to be clearly distinguished from the target total remuneration based on ambitious targets. The maximum remuneration includes all fixed and variable remuneration components.

IV. REMUNERATION-RELATED TRANSACTIONS

1. TERM AND REQUIREMENTS FOR THE TERMINATION OF REMUNERATION-RELATED TRANSACTIONS

The service contracts of Management Board members are concluded for the duration of their appointment. Initial appointments are made for a maximum of three years; extensions of the term of appointment may be for up to five years.

In view of the fixed duration of Management Board service contracts, there is generally no provision for their ordinary termination. If the Management Board member becomes incapacitated for the purpose of work during the term of the service contract, the contract shall generally end three months after the end of the month in which the permanent incapacity for work was established.

Besides that, the respective Management Board service agreement may only be terminated before the end of its term by mutual consent through a termination agreement or through extraordinary termination for good cause. Extraordinary termination for good cause by the Company may also be effected in particular in the event of revocation of the appointment of a member of the Management Board by the Supervisory Board for good cause in accordance with section 84 (3) AktG. In this case, the statutory periods of notice pursuant to section 622 BGB shall apply to the termination, unless there is, at the same time, good cause for immediate termination of the Management Board service agreement by the Company in accordance with section 626 BGB.

2. REGULATIONS IN THE EVENT OF THE RESIGNATION OF MANAGEMENT BOARD MEMBERS

a. Fixed remuneration

The fixed remuneration is paid for the last time for the month in which the employment contract ends.

b. STI

If the employment contract ends during a fiscal year, the STI is first determined in accordance with the respective target achievement for the fiscal year in question and then reduced proportionally.

c. LTI

With regard to the long-term variable remuneration, a distinction is made as to whether the departing Management Board member (hereinafter also the “**Beneficiary**”) is a so-called “**Good Leaver**” or a “**Bad Leaver**”.

If the beneficiary’s Employment Relationship with the Company ends during the term of the Stock Option Rights granted to him and if the beneficiary does not immediately thereafter enter into a new Employment Relationship with another affiliated company (“**Good Leaver**”), the following shall apply:

- The beneficiary has the right to exercise all Stock Option Rights exercisable on the date of termination of employment until the end of the term during an Exercise Period.
- In addition, all Stock Option Rights granted to the beneficiary which have not yet vested shall vest on the date of termination of employment and, to the extent that the Stock Option Rights vest, may be exercised until the end of the term during an Exercise Period. If Stock Option Rights can no longer be exercised in accordance with the above provision, they shall be forfeited without remuneration.

If the beneficiary’s Employment Relationship with the Company or one of its affiliated companies ends due to death, receipt of an early or standard retirement pension or a pension due to full reduction in earning capacity, the above provision shall apply accordingly. If the Employment Relationship ends as a result of death, the heirs shall take the place of the beneficiary.

If the Employment Relationship of the beneficiary with the Company or one of its affiliated companies ends during the term of the Stock Option Rights granted to him due to termination by the Company for good cause for which the beneficiary is responsible within the meaning of section 626 (1) BGB (“**Bad Leaver**”), all Stock Option Rights not yet exercised at the time of the declaration of termination shall be forfeited without remuneration. Likewise, the entitlement to the severance payment under LTI 2 shall lapse.

d. Severance payment cap

If the service agreement is terminated prematurely by ordinary termination or by justified extraordinary termination by the Management Board member for good cause for which the Company is responsible, the Management Board member shall be entitled to a severance payment.

The Management Board member shall not be entitled to severance pay in the event of justified extraordinary termination by the Company for a good cause.

In the event of premature termination of Management Board duties, payments to the Management Board member including fringe benefits may not exceed the value of one year's total remuneration; in addition, they may not exceed the total remuneration for the remaining term of the Management Board member's service contract. The severance payment cap shall be calculated on the basis of the total remuneration for the past fiscal year and, where appropriate, also on the basis of the expected total remuneration for the current fiscal year.

3. PROCEDURES FOR DETERMINING, IMPLEMENTING AND REVIEWING THE REMUNERATION SYSTEM

The system of Management Board remuneration is determined by the Supervisory Board in accordance with statutory requirements and is reviewed by the Supervisory Board on a regular basis.

In particular, the Supervisory Board also reviews the appropriateness of the remuneration in comparison with the remuneration of senior management and the rest of the workforce in relation to the Group companies (vertical appropriateness) and compares their respective remuneration with that of the Management Board. For these purposes, the Supervisory Board defines senior management as the group of executives at the first management level below the Management Board. The Supervisory Board looks not only at the current remuneration ratio, but also at how it has developed over time. The present remuneration system is also based on a review of vertical appropriateness in accordance with these principles.

In addition, the Supervisory Board also aims to review the appropriateness of the remuneration in comparison to the remuneration of the Management Board within a peer group (horizontal appropriateness). At present, however, the Supervisory Board has not yet been able to determine a suitable peer group, as in the view of the Supervisory Board, taking into account the business model and the size of the listed company, there are currently no companies that could be considered as a peer group for the purposes of assessing the horizontal appropriateness of Management Board remuneration. However, the Supervisory Board considers the Management Board remuneration under the present Management Board remuneration system to be appropriate, particularly in view of the level of Management Board remuneration in other listed companies.

If necessary, the Supervisory Board will engage an external remuneration consultant to review appropriateness. If an external remuneration consultant is engaged, the Supervisory Board shall ensure that the consultant is independent.

Any conflict of interest in the establishment, implementation and review of the remuneration system shall be treated by the Supervisory Board in the same way as other conflicts of interest

in the person of a Supervisory Board member. The Supervisory Board member concerned must therefore disclose any conflict of interest and will not participate in the adoption of resolutions or in the deliberations. Early disclosure of any conflicts of interest ensures that the decisions of the Supervisory Board are not influenced by improper considerations.

The remuneration system adopted by the Supervisory Board is submitted to the Annual General Meeting for approval. If the Annual General Meeting does not approve the remuneration system put to the vote, a revised remuneration system will be submitted for resolution at the latest at the following Annual General Meeting in accordance with section 120a (3) AktG.

The Supervisory Board regularly reviews the system for the remuneration of Management Board members and makes any necessary changes. Whenever there are significant changes to the remuneration system, but at least every four years, the remuneration system is submitted to the Annual General Meeting for approval in accordance with section 120a (1) sentence 1 AktG.

The present system of remuneration for the Management Board is already fundamentally anchored in the employment contracts of the current members of the Management Board of hGears AG.

C. TEMPORARY DEVIATIONS FROM THE REMUNERATION SYSTEM

The Supervisory Board may temporarily deviate from the remuneration system (procedures and regulations governing the remuneration structure) and its individual components, as well as with regard to individual remuneration components of the remuneration system, or introduce new remuneration components if this is necessary in the interests of the long-term well-being of the Company. The Supervisory Board reserves the right to make such deviations in exceptional circumstances such as an economic or corporate crisis. The possibility of deviation in this context covers the procedure, the regulations governing the remuneration structure and amount, and the individual remuneration components and in particular the performance criteria. The Supervisory Board may deviate from both the relative proportion of the individual remuneration components and their individual requirements. It may also temporarily set the fixed remuneration differently in individual cases if this is in the interests of the long-term well-being of the Company. In addition, the Supervisory Board may temporarily grant additional remuneration components or replace individual remuneration components with other remuneration components to the extent necessary to restore the appropriateness of Management Board remuneration in the specific situation. Such deviations may temporarily lead to a deviation from the maximum remuneration for the Chairman of the Management Board or other ordinary members of the Management Board.