

**The Annual General Meeting of bet-at-home.com AG on May 18, 2021 approved the compensation system for the members of the Management Board resolved by the Supervisory Board, which is presented below.**

**Compensation system for members of the management board:**

**1. Principles of the compensation system for members of the management board of bet-at-home.com AG**

The compensation system for the management board aims to remunerate management board members appropriately in line with their duties and responsibilities and to directly consider the performance of each management board member as well as the success of the Company. The structure of the compensation system for the management board of bet-at-home.com AG is aimed at achieving a sustainable increase in enterprise value and success-oriented corporate management. In principle, the supervisory board is guided by the following guidelines when determining compensation levels and the compensation system:

The compensation system as a whole makes a significant contribution to promoting the business strategy. To this end, the variable compensation components in particular are also to be linked to the achievement of strategic targets. The focus here is on profitable growth, measured against the target figures of (i) the Group's gross betting and gaming revenue and (ii) consolidated profit adjusted for income taxes, net financial income, depreciation and amortization (EBITDA). In order to ensure that the interests of shareholders are also considered, the variable compensation components are supplemented by a share price-based component. Variable compensation components also have a multi-year character. The creation and preservation of value for shareholders thus also leads to positive salary development. The performance of the management board members is appropriately considered by setting adequate and ambitious performance criteria within the variable compensation components ("*pay for performance*").

In addition, non-financial performance criteria such as integrity, employee satisfaction and diversity as well as sustainability/environmental social governance (ESG) aspects are included in the assessment of compensation.

The compensation system and the performance criteria of its variable components thus incentivize long-term and sustainable development of the bet-at-home.com AG Group.

## **2. Procedures for determining, reviewing and implementing the compensation system**

The compensation of the management board is determined by the supervisory board as a whole. The establishment of a separate Personnel Committee has been dispensed with, as the supervisory board of the Company consists of three members and there is therefore no need for such a committee. If necessary, independent external advisors are consulted. In accordance with the Rules of Procedure for the supervisory board, the members of the supervisory board are obliged to report any conflicts of interest without delay. The supervisory board designs the system for the compensation of management board members considering applicable laws and regulations, in particular the requirements of the AktG as amended, any regulatory requirements and the recommendations of the German Corporate Governance Code. In doing so, it shall ensure clarity and comprehensibility.

The management board compensation system thus adopted by the supervisory board will be submitted to the annual shareholders' meeting for a resolution on its approval.

The supervisory board determines the specific target total compensation on the basis of the compensation system.

The supervisory board regularly reviews the compensation system for the management board and the appropriateness of the compensation. In accordance with the requirements of Section 120a (1) AktG, the supervisory board will submit the compensation system for the members of the management board to the annual shareholders' meeting for approval in the event of significant changes, but at least every four years.

The present system of compensation for members of the management board shall apply to future management board service contracts. In accordance with the statutory provision (Section 87a (2) AktG), the supervisory board may temporarily deviate from

the components of the compensation system described below in exceptional circumstances if this is necessary in the interests of the long-term welfare of the Company.

## **2.1. Horizontal comparison**

When designing the compensation system, an attempt was made to use a suitable peer group to assess the market standard of the overall compensation. In the opinion of the supervisory board, however, no suitable peer group (listed online betting and gaming providers) has been identified that provides reliable information for a horizontal comparison. However, generally accessible compensation studies were considered, but these only provide a comparative starting point in terms of company size and other non-specific aspects.

## **2.2. Vertical comparison**

The compensation and employment conditions of employees were considered as part of the vertical comparison. In line with previous practice, the supervisory board considers the relationship of compensation to senior executives in the Group, to the extended management group, and to the workforce as a whole. This consideration was also carried out over the course of the last three years.

## **3. Compensation components in detail**

### **3.1. Fixed compensation components**

The fixed compensation components granted to the members of the management board under the compensation system comprise basic compensation and fringe benefits. The members of the management board do not receive a pension commitment.

#### **3.1.1. Base references**

The members of the management board shall receive a fixed basic compensation. Provision may be made for this to be payable monthly or in fourteen (14) monthly

salaries, of which twelve (12) monthly salaries are payable at the end of each month, the thirteenth (13th) monthly salary at the end of May of each year and the fourteenth (14th) monthly salary at the end of November of each year. The basic compensation is promised and granted by bet-at-home.com AG and/or its subsidiaries, if applicable, in the context of employment relationships.

### **3.1.2. Fringe benefits**

Fringe benefits are granted on the basis of service contracts with the individual members of the management board and may include, for example: private use of company cars, special payments such as payment of tuition, housing, rent and relocation expenses, reimbursement of fees for the preparation of income tax documents, reimbursement of fees, subsidies for pension insurance (with the exception of the pension commitments presented here), subsidies for accident, life and health insurance or other insurance. Fringe benefits may be provided on a one-time or recurring basis.

### **3.1.3. Pension commitments**

The members of the management board do not receive any pension commitments.

## **3.2. Variable Compensation 1 ("VC1")**

Under the compensation system, the members of the management board are entitled to Variable Compensation 1, which can lead to an annual bonus payment, some of which is deferred. Variable Compensation 1 rewards the members of the management board for the success of the Group based on certain financial indicators and non-financial performance targets.

### **3.2.1. Target amounts**

With regard to Variable Compensation 1, target amounts are agreed with the management board members in their service contracts, which are granted to them if they achieve 100% of their targets ("**VC1 target amount**"). The variable compensation is calculated on the basis of the VC1 target amount within a target achievement corridor

of 50% to 200%. The exact payment is determined by multiplying the degree of target achievement by the VC1 target amount of the individual management board member. If the target is exceeded, there is an increase up to a maximum of 200% of the target amount (cap). If the target is achieved by up to 50%, Variable Compensation 1 is reduced on a straight-line basis; if the target is achieved by less than 50%, Variable Compensation 1 is not paid at all.

### **3.2.2. Performance targets**

The assessment factors to be defined for VC1 comprise financial and non-financial performance criteria. Non-financial performance criteria account for up to 10% of the VC1 target amount.

#### **Financial performance targets**

As financial performance criteria, reference is to be made in particular to the gross betting and gaming revenue generated as the most significant performance indicator, and to EBITDA. At the beginning of a management board service agreement, which generally runs for three years, corresponding targets are set in advance for each year for the entire term, so that the assessment basis is already multi-year in this respect.

85% of the Variable Compensation 1 to be granted on this basis for a financial year, which is based on financial performance targets, is due in the month following approval of the annual financial statements and consolidated financial statements by the supervisory board of the Company. A further 15% of the Variable Compensation 1 for a financial year, which is based on financial performance targets, is allocated to a so-called sustainability account ("**mid-term incentive**"). Payment of the mid-term incentive is linked to the targets for the following financial year. If targets are achieved by 100% or more in the following financial year, the management board member is entitled to payment of the full mid-term incentive. If targets are achieved by up to 50%, the mid-term incentive is reduced on a straight-line basis; if targets are achieved by less than 50%, the mid-term incentive is not paid out at all. If the management board contract is not continued beyond the end of the financial year, the mid-term incentive is payable immediately after approval of the annual financial statements.

### **Non-financial performance targets**

Non-financial performance criteria are to be included in the target agreement alongside criteria such as integrity, employee satisfaction and diversity, as well as sustainability/environmental social governance (ESG) aspects, which are to account for up to 10% of the overall target achievement.

For the non-financial, strategic targets, the agreement with the management board members is to define the conditions under which the respective target is fully met (100% target achievement of the individual criterion) and which parameters are used to assess the degree of target achievement. In the case of non-financial strategic project targets, particular consideration is given to aspects such as quality, budget compliance and adherence to deadlines.

#### **3.2.3. Change of performance targets**

A subsequent change of the performance targets is excluded.

#### **3.2.4. Calculation of target achievement**

The total target achievement of the short-term variable compensation is derived from the agreed average of the individual performance criteria and the degree of target achievement in each case.

#### **3.2.5. Abolition of Variable Compensation 1**

If the Company terminates the employment relationship for good cause within the meaning of Section 626 of the German Civil Code (Bürgerliches Gesetzbuch - BGB), the Variable Compensation 1 shall cease to apply for the financial year in which the termination takes effect. For other cases of premature termination, the management board receives the VC1 payment pro rata temporis. This payment is due within one month of publication of the audited annual financial statements. Any credit balances in the sustainability account will also be paid out in full.

### 3.3. Variable Compensation 2 ("VC2")

As part of the compensation system, Variable Compensation 2 can be agreed with the members of the management board, which can lead to an annual bonus payment. The origin and amount of Variable Compensation 2 depend to a large extent on the enterprise value of bet-at-home.com AG. VC2, if agreed with the members of the management board, is due on December 31 of each year.

At the beginning of a management board service contract, which generally runs for three years, a share price of the Company is fixed in advance for the entire term ("**base price**").

If the fixed share price is exceeded in subsequent years on the basis of a 6-month average share price in the months July to December ("**Relevant Share Price**"), the management board member receives a cash payment corresponding to a fixed agreed share of the increase in the value of the Company compared with the agreed share price.

If, for example, a base price of EUR 45.00 was agreed, the market capitalization based on 7,018,000 shares would be EUR 315,810,000.00. If the relevant price were EUR 55.00, the increased market capitalization would be EUR 385,990,000.00 and the increase in market capitalization would be EUR 70,180,000.00.

VC2 is calculated on the basis of a %age of the increase in market capitalization agreed with the management board members, which is up to 0.67%. Based on the above increase in the market capitalization, this would result in a VC2 of a maximum of EUR 470,206.00.

## 4. Target total compensation

In accordance with the compensation system, the supervisory board determines the amount of the target total compensation for each management board member.

In doing so, it shall consider not only an appropriate relationship to the duties and performance of the management board member, but also the economic situation and the success and future prospects of the Company. The supervisory board shall ensure that the target total compensation does not exceed the customary compensation without special justification. The target total compensation for the individual

management board members is derived from the basic compensation and Variable Compensation 1 in the event of 100% target achievement.

In addition, there is Variable Compensation 2, which, being share price-based, is not a component to be measured on the basis of a target achievement level based on a target agreement.

In determining the target total compensation for the individual management board members, the supervisory board will therefore use the consensus estimates of analysts as a basis with regard to Variable Compensation 2 and determine the target compensation from Variable Compensation 2 on this basis uniformly for each year of the term.

## **5. Maximum compensation**

The maximum amount of fixed basic compensation plus fringe benefits for each management board member is EUR 1,500,000.00 p.a.

The maximum amount of Variable Compensation 1 is EUR 1,000,000.00 p.a. for each management board member based on 100% target achievement.

The payment from Variable Compensation 2 is limited to 10 times the basic compensation paid for the year added by Variable Compensation 1.

## **6. Commitments to members of the management board in the event of resignation**

The supervisory board may determine exit regulations for each compensation component and for each case in which the employment relationship of a member of the management board or the appointment as a member of the management board ends. This includes cases such as retirement or full or partial reduction in earning capacity, death, ordinary termination of the service contract or termination of the service contract for good cause, dismissal from office for good cause, transfer of a service contract to the major shareholder of the Company or to a company affiliated with the major shareholder of the Company. For each of these cases, the supervisory board may determine in advance what requirements apply in order for individual or all compensation components to be paid either in full or in part, early or delayed, to the



members of the management board or - in the event of death - to the heirs of the management board member concerned, or to lapse. In any case, a payment of variable compensation components can only be made in accordance with the targets and comparison parameters as well as the due dates specified in the respective plan terms and conditions referred to in the service agreements or agreed in the service agreements with the respective members of the management board.

The supervisory board concludes service agreements with members of the management board that provide for a severance payment cap.

Severance payments in the event of premature termination of management board membership without good cause may not exceed a total of two years' compensation, but may not exceed the total compensation entitlement for the remaining term of the contract ("**severance payment cap**").

In the event of temporary incapacity to work due to illness or accident or for other reasons not attributable to gross negligence or intent on the part of the management board member, the supervisory board may determine that the fixed compensation shall continue to be paid for a period of six months, but not beyond the end of the management board member's contract.

Commitments for benefits in the event of premature termination of the employment contract by the management board member as a result of a **change of control** may not be agreed.

If there is good cause for terminating the service agreement, no severance payments will be made.

The supervisory board may agree with members of the management board that, in the event that their employment contract is not extended or ends for any other reason before the end of the regular term, they will receive a transitional allowance amounting to 50% of their last gross annual salary (including variable compensation component). The transitional allowance may not be paid if the contract is extended. The entitlement to payment of the transitional allowance shall lapse if the management board member has refused a reappointment and extension of the management board contract offered to him on terms that are the same or more favorable to him, or if the non-extension or termination is based on an important reason for which the management board member

is responsible, or on an ordinary notice of termination given by the management board member.

The supervisory board may agree a post-contractual non-competition clause with members of the management board for a period of up to two (2) years. If such a post-contractual non-competition clause takes effect, the members of the management board may receive compensation amounting to up to half of their respective basic compensation per year of the respective period of validity of the post-contractual non-competition clause. Payments under a post-contractual non-competition clause are to be offset against any severance payments.

## **7. Contract terms, termination options**

The term of the employment contracts is linked to the duration of the appointment and complies with the requirements of stock corporation law. Ordinary members of the management board are generally appointed for a maximum of three years.

Both the Company and the management board member have the right to extraordinary termination for good cause in accordance with Section 626 of the German Civil Code (BGB).

## **8. Compensation system in the event of special and exceptional circumstances**

In special and exceptional circumstances (e.g. in the event of a severe financial or economic crisis), the supervisory board has the right to temporarily deviate from the compensation system in accordance with Section 87a (2) sentence 2 AktG and to amend the regulations relating to the compensation structure and individual compensation components as well as the regulations on the respective procedure, provided this is necessary in the interests of the long-term welfare of the Company. A deviation from the compensation system is only possible by a corresponding resolution of the supervisory board and after careful examination of the necessity. The components of the compensation system from which deviation is possible under the above circumstances are the procedure, the compensation structure, the individual compensation components and their performance criteria. Furthermore, in this case the supervisory board may temporarily grant additional compensation components or replace individual

compensation components with other compensation components to the extent necessary to restore the appropriateness of management board compensation in the specific situation.