

SCHMID Group N.V. Related Party Transactions Policy

A. Introduction

The board of directors (the “**Board**”) of SCHMID Group N.V. (the “**Company**”) recognizes that certain transactions present a heightened risk of conflicts of interest or the perception thereof. The Board has determined that the Audit Committee is best suited to review and approve all Interested Transactions with Related Parties, as those terms are defined in this Related Party Transactions Policy (this “**Policy**”). Therefore, the Audit Committee has adopted this Policy to ensure that all Interested Transactions with Related Parties shall be subject to approval or ratification in accordance with the procedures set forth below.

B. Effective Date

This Policy is effective immediately.

C. Definitions

Interested Transaction: is any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including the incurrence or issuance of any indebtedness or the guarantee of indebtedness) in which (i) the aggregate amount involved will or may be reasonably expected to exceed €120,000 in any calendar year, (ii) the Company or any of its subsidiaries is a participant, and (iii) any Related Party has or will have a direct or indirect interest (other than solely as a result of being a director, officer or a less than 10% beneficial owner of another entity).

Related Party: (i) A Director, or nominee for election as Director, Officer of the Company or a 5% or greater Shareholder (as further set out in the applicable accounting standards used for the Company's SEC filings), or (ii) an immediate family member (e.g. spouse, parents, children or siblings) of any party mentioned in (i) of this definition.

D. Notification of Interested Transactions

Each Director, nominee for election as Director, or Officer shall promptly notify the Legal Affairs department of the SCHMID group of any material interest that such person or an Immediate Family Member of such person had, has or may have in an Interested Transaction. The notice shall include a description of the transaction, all material information and the aggregate dollar amount.

E. Review of Interested Transactions

The Legal Affairs department of the SCHMID group will undertake an evaluation of the Interested Transaction. If that evaluation indicates that the Interested Transaction would require the Audit Committee's approval, the Legal Affairs department of the SCHMID group will report the Interested Transaction, together with a summary of material facts, to the Audit Committee. The Audit Committee shall review the material facts of all Interested Transactions that require the Audit Committee's approval and either approve or disapprove of the entry into the Interested Transaction, subject to the exceptions described below.

If advance Audit Committee approval of an Interested Transaction is not feasible (e.g. in the event the transaction is urgent and in the best interest of the SCHMID group), then the Interested Transaction shall be considered and, if the Audit Committee determines it to be appropriate, ratified at the Audit Committee's next regularly scheduled meeting.

In determining whether to approve or ratify an Interested Transaction, the Audit Committee will take into account, among other factors it deems appropriate, whether the Interested Transaction is on terms

no less favourable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Person's interest in the transaction.

An Interested Transaction reviewed under this Policy will be considered approved or ratified if it is authorized by the Audit Committee, as applicable, in accordance with the standards set forth in this Policy after full disclosure of the Related Party's interests in the transaction. As appropriate for the circumstances, the Audit Committee shall review and consider:

- the Related Party's interest in the Interested Transaction;
- the approximate value of the amount involved in the Interested Transaction;
- the approximate value of the amount of the Related Party's interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of business of the Company;
- whether the transaction with the Related Party is proposed to be, or was, entered into on terms no less favourable to the Company than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to the Company of, the Interested Transaction;
- whether the Interested Transaction would impair the independence of an outside director;
- required public disclosure, if any; and
- any other information regarding the Interested Transaction or the Related Party in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

The Audit Committee will review all relevant information available to it about the Interested Transaction. The Audit Committee may approve or ratify the Interested Transaction only if the Audit Committee determines in good faith that, under all of the circumstances, the transaction is fair as to the Company. The Audit Committee, in its sole discretion, may impose such conditions as it deems appropriate on the Company or the Related Party in connection with approval of the Interested Transaction.

F. Audit Committee Conflicts of Interest

No Director shall participate in any discussion or approval of an Interested Transaction for which he or she is a Related Party, except that the director shall provide all material information concerning the Interested Transaction to the Audit Committee.

If an Interested Transaction will be ongoing, the Audit Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Audit Committee, on at least an annual basis, shall review and assess ongoing relationships with the Related Party to ensure that they are in compliance with the Audit Committee's guidelines and that the Interested Transaction remains appropriate.

Additionally, in the event that an Interested Transaction involving a Director may constitute an actual or potential Director conflict of interest, the Legal Affairs department of the SCHMID group shall notify the chairperson of the Nominating Committee of such Interested Transaction.

G. Pre-Approved Interested Transactions

The Interested Transactions described below shall be deemed to be pre-approved by the Audit Committee and no further approval is required, even if the aggregate amount involved will exceed €120,000:

- i. Employment of executive officers. Any employment by the Company of an executive officer of the Company or any of its subsidiaries if the related compensation is approved (or recommended to the Board for approval) by the Compensation Committee;
- ii. Director compensation. Any compensation paid to a Director if the compensation is consistent with the Company's compensation policy and is required to be publicly disclosed;
- iii. Certain transactions with other companies. Any transaction with another company at which a Related Person's only relationship is as an employee (other than an executive officer or director) or beneficial owner of less than 10% of that company's equity, if the aggregate amount involved does not exceed the greater of €1,000,000, or 2% of that company's total annual revenues;
- iv. Certain charitable contributions. Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university at which a Related Person's only relationship is as an employee (other than an executive officer or director), if the aggregate amount involved does not exceed the greater of €1,000,000, or 2% of the charitable organization's total annual receipts;
- v. Transactions where all stockholders receive proportional benefits. Any transaction where the Related Person's interest arises solely from the ownership of the Company's listed shares or warrants and all holders of the Company's listed shares or warrants received the same benefit on a pro rata basis (e.g., dividends);
- vi. Rental payments. Any payment in connection with property lease agreements entered into by the Company or any of its subsidiaries before 30 April 2024;
- vii. Existing loan agreements. Any payment in accordance with a loan agreement entered into by the Company or any of its subsidiaries before 30 April 2024; and
- viii. Pension payments. Any payment in accordance with the Company's, or any of its subsidiaries', existing pension obligations.

H. Disclosure

All Interested Transactions that are required to be disclosed in the Company's filings with the SEC, as required by the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and related rules and regulations, shall be so disclosed in accordance with such laws, rules and regulations.