

# COMPENSATION POLICY FOR EXECUTIVE AND NON-EXECUTIVE DIRECTORS

OF

SCHMID Group N.V.

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*The compensation policy for the executive directors and non-executive directors were adopted by SCHMID's general meeting of shareholders on [date] 2026*

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## 1. INTRODUCTION

The objective of this Compensation Policy is to attract, reward and retain highly qualified members of the board of directors (the "**Board**") and to provide and motivate them with a balanced and competitive compensation that is focused on sustainable results and is aligned with the long-term strategy of SCHMID Group N.V. ("**SCHMID**").

SCHMID's general meeting of shareholders (the "**General Meeting**") adopts the Compensation Policy for the executive directors of the Board ("**Executive Directors**") and non-executive directors of the Board ("**Non-Executive Directors**"), based on a proposal by the Board. The compensation committee of SCHMID (the "**Compensation Committee**") prepares decisions for the Board on both the Compensation Policy and the application thereof in individual situations.

Annually, the Compensation Committee will propose to the Board a report on the application of the Compensation Policy and the individual compensation of the members of the Board in the previous year (the "**Compensation Report**"), which Compensation Report will be included in SCHMID's annual report. The Compensation Committee regularly discusses and reviews the Compensation Policy in light of the relevant developments in SCHMID's strategy and organisation, stakeholder considerations or changes in legislation. If deemed necessary, the Compensation Committee will propose changes to the Compensation Policy to the Board, for final submission to the General Meeting.

## 2. COMPENSATION OF THE EXECUTIVE DIRECTORS

### 2.1. Base Salary

Each Executive Director will receive an annual base salary. In addition, each Executive Director will receive a fixed annual fee for his or her services provided to SCHMID.

### 2.2. Short-Term Bonus

The Executive Directors are eligible for an annual variable bonus payable in cash (the "**Short-Term Bonus**"). Whether a Short-Term Bonus will be granted to an Executive Director, and, if so, in which amount, depends on SCHMID's consolidated EBIT of the preceding financial year and certain other individual financial or non-financial targets, subject to applicable law and internal governance approvals.

In the Compensation Report, the Board will annually explain which individual financial and non-financial targets it has selected (including their relative weightings) to determine the Short-Term Bonus and how performance on these targets has been measured. In addition, an overview of the Short-Term Bonus pay-out will be included in the Compensation Report.

The Board may adjust the amount of the Short-Term Bonus to an appropriate amount if such Short-Term Bonus would be unacceptable according to standards of reasonableness and fairness. The Board is entitled to claw back all or part of the Short-Term Bonus insofar as it has been made on the basis of incorrect information about achieving the performance conditions.

### **2.3. Long-Term Bonus**

The Executive Directors may be eligible for a long-term bonus payable in cash (the "**Long-Term Bonus**"). As basis for its decision whether a Long-Term Bonus will be granted to an Executive Director, and, if so, in which amount, the Board will select certain financial and/or non-financial measures and will determine their relative weightings, subject to applicable law and internal governance approvals.

In the Compensation Report, the Board will annually explain which financial and non-financial targets it has selected (including their relative weightings) to determine the Long-Term Bonus and how performance on these targets has been measured. In addition, an overview of the Long-Term Bonus pay-out will be included in the Compensation Report.

The Board may adjust the amount of the Long-Term Bonus to an appropriate amount if such Long-Term Bonus would be unacceptable according to standards of reasonableness and fairness. The Board is entitled to claw back all or part of the Long-Term Bonus insofar as it has been made on the basis of incorrect information about achieving the performance conditions.

### **2.4. Pensions**

The Executive Directors are eligible to receive an appropriate pension.

### **2.5. Termination**

The agreement with an Executive Director can be terminated with a 12 months' notice period. However, in certain instances the notice period may be longer and may be subject to further conditions.

### **2.6. Loans**

SCHMID does not provide any personal loans, guarantees or advance payments to the Executive Directors, save as part of its usual business operations and after approval by the Board with the consent of the majority of the Non-Executive Directors. The articles of association of SCHMID (the "**Articles of Association**") contain a customary indemnification provision for the benefit of Executive Directors, and SCHMID will provide for and bear the costs of adequate D&O insurance, in each case subject to the limitations and restrictions as provided in the Articles of Association.

### **2.7. Other benefits**

Executive Directors may be offered additional arrangements, such as an expense allowance (including travelling expenses), insurances, the use of company car, third-party services, an expatriate allowance and reimbursement of housing and schooling costs. Furthermore, in case of disablement or death, each Executive Director (or his or her legal successor) is entitled to benefits.

### **2.8. Compensation in equity**

The Compensation Committee may at its sole discretion, determine that all or part of the remuneration of Executive Directors, including fixed and variable remuneration, may be granted or settled in equity,

e.g. in shares or right to shares, subject to applicable law and the terms of the relevant incentive plan within SCHMID, applicable from time to time.

### **3. COMPENSATION OF THE NON-EXECUTIVE DIRECTORS**

Each Non-Executive Director may receive a fixed annual fee in the range of €70,000 and €250,000. In addition, certain Non-Executive Directors may be eligible for additional compensation in the form of a base salary, bonus arrangements and expense allowance for any operational tasks performed by such Non-Executive Director for SCHMID or any of its subsidiaries.

The Compensation Committee may at its sole discretion, determine that all or part of the remuneration of Non-Executive Directors, including fixed and variable remuneration, may be granted or settled in equity, e.g. in shares or right to shares, subject to applicable law and the terms of the relevant incentive plan within SCHMID, applicable from time to time.

#### **3.1. Loans**

SCHMID does not provide any personal loans, guarantees (excluding any indemnities) or advance payments to the Non-Executive Directors, save as part of its usual business operations and after approval by the Board with the consent of the majority of the Non-Executive Directors. The Articles of Association contain a customary indemnification provision for the benefit of Non-Executive Directors, and SCHMID will provide for and bear the costs of adequate D&O insurance, in each case subject to the limitations and restrictions as provided in the Articles of Association.

### **4. DEVIATION**

The Board may deviate from this Compensation Policy where it deems such deviation necessary to safeguard the best interests of SCHMID. The Board will explain such deviation in the Compensation Report.

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